School Aids: State assistance (including school aid credits) to Wisconsin's 432 school districts and 17 public library systems increased by $58.3 million, from $1,294.1 million (GPR) in 1985-86 to $1,352.3 million (GPR) in 1986-87, an increase of 4.5 percent. A $43.5 million increase to the school aid credits accounted for approximately 75 percent of the total increase. Total school costs rose an estimated 6.3 percent in 1986-87, compared with the 4.5 percent increase in school aid. Because of this, state aid as a percentage of total school costs decreased slightly from 41.5 percent in 1985-86 to 40.3 percent in 1986-87. As a result, the statewide net property tax levy for schools increased by roughly 8 percent.

There are two major types of school aid. Approximately 80 percent of school aids, including the school aid credit, are general aids, distributed by a formula based primarily on school district equalized property value. The remaining 20 percent are categorical aids, distributed based on costs for specific activities or educational programs. The major categorical aid programs are handicapped education aid (65 percent of all categorical aid) and special transfer (integration) aid.

Shared Revenue: State shared revenue provides unrestricted aid to municipal and county governments. Shared revenue is distributed primarily through equalized aidable revenue payments (80 percent) and per capita payments (18 percent). The 1986-87 shared revenue total of $779.4 million was a 2.6 percent increase over 1985-86 payments. Statewide, shared revenue payments provide municipalities with about 25 percent and counties with about 7 percent of their operating revenues.

UW System: In 1986-87, UW enrollment was 164,518 (head count), a slight decrease from the previous year. GPR expenditures for the UW, however, increased by $12.6 million as the first phases of a "catch-up" pay plan for faculty and academic staff were implemented. This plan will bring UW salaries up to the levels currently in place at peer institutions nationwide.

The Wisconsin Expenditure Commission and the UW Board of Regents both issued reports in December 1986 examining the funding and future of the UW System. Both reports agreed that in order to maintain educational quality there is a need to (1) limit overall enrollment levels, (2) set tuition levels at approximately the median of the "Big 10" universities, (3) regularly review the mission and programs at all campuses to maximize efficient use of resources, and (4) relieve overcrowding and take other steps to reduce the time needed to graduate (currently 5.5 years). Progress is being made with all of the recommendations; their impacts will be seen next fiscal year.

Medical Assistance: Wisconsin's Medical Assistance (MA) program, which is state and federally funded, pays for medical services to certain categories of low income persons. Included are blind, aged, and disabled persons, recipients of Aid to Families with Dependent Children (AFDC) or Supplemental Security Income, and other low income individuals having high medical expenses. In 1986-87, MA expenditures were $1.11 billion, of which $468.6 million was GPR. This amount represents an increase of 7.76 percent (7.4 percent GPR) over the previous fiscal year. In comparison, the average rate of growth of MA over the previous three years was 5.5 percent.

This increase in the rate of growth in MA can be attributed to several factors, including the following: increases in caseload; increases in utilization of medical service, particularly noninstitutional services (e.g., outpatient hospital, home health care and drugs); increased costs associated with federal compliance actions; unbudgeted hospital settlements; and costs associated with an extra MA billing period during the fiscal year.

State Property Tax Credits: State property tax credits are universal percentage credits. The state provides funds to local governments to pay a percentage of each local property owner's taxes. Funding for the credits increased 5 percent from $289.6 million in 1985-86 for the Wisconsin State Property Tax Relief (WSPTR) Credits to $304.1 million in 1986-87 for the new General Government Credit and School Levies Credit. Levies Credits in 1986-87 offset 10 percent of 1986 gross property taxes for all purposes statewide.

The School Aid Credit in 1986-87 distributed $198.5 million of state support for schools through the equalizing school aid formula.

Income Maintenance — Aid to Families with Dependent Children: The Aid to Families with Dependent Children (AFDC) program, the state's primary cash assistance program, provides income to children and their guardians who lack adequate financial support. Over 290,000 individuals received AFDC benefits each month of the 1986-87 fiscal year; over two-thirds of these recipients are dependent children.

Wisconsin provided $553.1 million in AFDC benefits during the 1986-87 fiscal year. Of this amount, $225 million was state GPR and $328.1 million was provided by the federal government. Total expenditures for AFDC in 1986-87 declined by 2 percent, with state expenditures decreasing by 2.8 percent. The decrease in expenditures may be attributed to a decline in the number of families needing AFDC-Unemployed (with both parents present in the home) and for increased child support collections which offset AFDC expenditures. In addition to these factors, state costs were further reduced by an increase in the share of costs assumed by the federal government.

Community Aids: Community Aids are state and federal funds distributed to counties to fund various human service programs.

Community Aids expenditures reached $262 million in 1986-87, including $200.1 million GPR. This overall expenditure level is a decrease of $4.8 million from the 1985-86 level, re-

flecting a reduction of close to $5 million in federal funds and a slight increase in GPR expenditures.

The continuing level of GPR expenditures indicates a continued state commitment to essential human services. This commitment is carried out through programs such as day care, family support and community support, and services for child abuse, mental health for youth and children, Alzheimer's disease and community programs for the developmentally disabled.

General Relief (GR), administered by local governments, provides cash and medical benefits to indigent individuals who do not qualify for other state/federal public assistance programs. Since 1983, the state has reimbursed local governments for a portion of the costs for General Relief. In 1986-87, the state provided $25.4 million to local governments, nearly triple the amount reimbursed in 1985-86. In part, this significant increase in state expenditures reflects the state's assumption of a larger share of local GR costs. In addition, 1985 Wisconsin Act 120 required that all funds appropriated for GR actually be distributed to local governments, rather than unused amounts lapsing to the state general fund. About $7.0 million of GR expenditures relate to this distribution provision.

Homestead and Farm Tax Credits: The Homestead Tax Credit and the Farm Property Tax Credit are "circuit-breaker" credits designed to aid households overburdened by property taxes in excess of their ability to pay. Claimants receive a credit against their state income tax liability or a refund check.

Homestead Tax Credit expenditures of $102.6 million remained stable in 1986-87 compared to 1985-86. These credits benefited about 260,000 low-income homeowners and renters—over half of them elderly—and offset about 6 percent of the 1987 residential property tax levy statewide. Wisconsin's Homestead Tax Credit ranks fourth among the states in comprehensiveness and per capita expeditures for residential property tax relief circuit breakers.

The Farm Property Tax Credit provides a refundable credit to farmers who qualify through exclusive agricultural zoning or individual farmland preservation agreements. The rapid growth of about 25 percent for this program in recent years slowed substantially this year due to a decrease in farm property taxes brought about by declining farm values. FY 1987 program expenditures of $35.5 million was a 3 percent increase over FY 1986 expenditures of $34.6 million. These credits benefited about 23,000 farmers and offset about 11 percent of 1986 farm levies statewide. Wisconsin's Farm Property Tax Credit is one of only two similar state programs in the country.

Correctional Services: In 1986-87, Wisconsin's correctional populations and related expenditures continued to increase. The average daily population of incarcerated felons under the supervision of the Division of Corrections increased from 5,138 in 1985-86 to 5,578 in 1986-87. Total expenditures (excluding debt service) for correctional operations increased 7.1 percent from $163.7 million ($116.8 million GPR) in 1985-86 to $175.0 million ($125.1 million GPR) in 1986-87. The state's two new correctional institutions, the Columbia Correctional Institution (opened in May, 1986) and the Oshkosh Correctional Institution (opened in September, 1986), are now operating at full capacity. In addition, a new 450 bed maximum/medium correctional institution in southeastern Wisconsin was authorized by 1987 Wisconsin Act 5 and is projected to be completed in 1991.

VTAE Aids: In 1986-87, state general aids to vocational, technical and adult education were $76.37 million. This represented a 3.5 percent increase over 1985-86 state aids.

All sixteen VTAE districts receive state general aid that is distributed through a formula which recognizes cost, enrollment and property tax base equalization factors. During 1986-87, VTAE districts provided educational services to more than 400,000 individuals. The VTAE system contributes to the state's economic development through meeting employer's education and training needs.

WISCONSIN INVESTMENT CLIMATE

Economic development continued to be a top priority during the 1986-87 fiscal year. Several initiatives were proposed by Governor Thompson and approved by the legislature. These changes, combined with a positive attitude toward business development and efforts undertaken over the last several years, are helping Wisconsin stand out as a good place to do business.

A very visible initiative was the creation of the Wisconsin Development Fund. This new program combined the previous customized labor training fund and the technology development fund and expanded eligibility to cover major economic development projects. A single board attached to the Department of Development was created to administer the fund. Funding approved in 1987 Wisconsin Act 27 increased from approximately $2 million GPR biennially to $20 million.

The consolidated and larger Wisconsin Development Fund is expected to give Wisconsin the incentives necessary to compete with other states for economic development projects. The existence of the fund and the likelihood of receiving funds have been responsible for several major development projects in the state. The most notable are the decision by the Chrysler Corporation to manufacture the Omni/Horizon at the old American Motors facility in Kenosha and the selection by General Motors of the Janesville plant for a new truck line. Both will provide several thousand manufacturing jobs.

Tourism promotion was another major initiative approved during the year. Wisconsin has an outstanding tourism industry which adds much to the state economy. In recent years, other states have significantly increased their tourism promotion budgets. The Governor proposed and the legislature approved first a $2 million special appropriation for tourism promotion. In the 1987-89 budget, a permanent promotion increase from $1.5 million to $5 million annually was approved. The increase has already begun to pay dividends with preliminary reports indicating that tourism revenues increased substantially during the spring and summer of 1987.

The state's ability to market itself to businesses was improved by the redirection of Forward Wisconsin. This organization was created as a public private partnership to promote Wisconsin's business climate in other states and provide business services beyond the scope of the Department of Development. The Legislature approved funding of $500,000 annually for the organization which must be matched with equal contributions from the private sector.

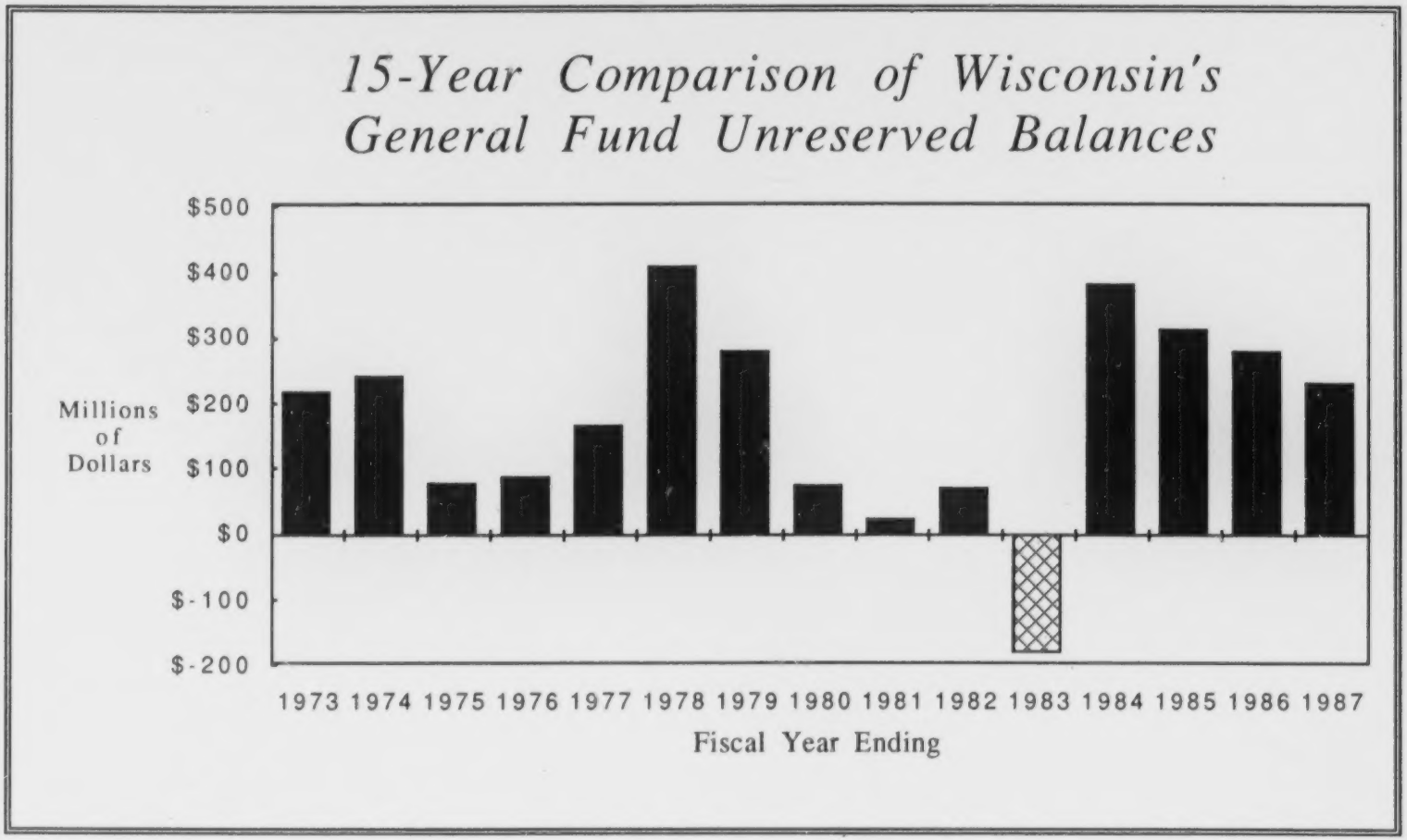
State tax policy is a major component of the state's investment climate as described earlier under "Revenue Highlights." Major changes in the 1987-89 biennial budget phased out the inheritance tax over 5 years, reduced the top personal income tax rate from 7.9 to 6.9 percent, and retained a 60 percent exclusion on capital gains on assets held over one year. The capital gains tax exclusion is important as an investment incentive. These tax changes make the Wisconsin investment climate much more favorable.

The state remains committed to international marketing. Efforts of both the Department of Development and the Department of Agriculture, Trade and Consumer Protection were increased in the budget. The state maintains an international trade office in Frankfurt, West Germany and in Hong Kong. Additional resources were approved in the 1987-89 budget to facilitate Japanese trade and to encourage Japanese investment in Wisconsin.

The Administration has made state spending a key component of its economic development policy. The spending level proposed and approved in the 1987-89 biennial budget was consistent with the policy recommended by the Wisconsin Expenditure Commission in 1986-87 to bring state spending to the national average. It is the Administration's goal to restrain state spending growth so that Wisconsin reaches the national average by fiscal year 1992-93.

Many existing programs continue to provide important assistance to businesses. These include the Permit Information Center in the Department of Development, several business loan programs in the Wisconsin Housing and Economic Development Authority, the research and technical resources of the University of Wisconsin, and a special program to invest in Wisconsin by the State Investment Board.

Wisconsin's economic climate is excellent with a productive workforce, a high quality of life, and an outstanding education system. State programs and policies adopted during the last year build on these strengths and further Wisconsin's positive business image.


15-Year Comparison of Wisconsin's General Fund Unreserved Balances
$500
$400
$300
$200
$100
$0
$-100
$-200
Millions of Dollars
1973 1974 1975 1976 1977 1978 1979 1980 1981 1982 1983 1984 1985 1986 1987
Fiscal Year Ending

General Purpose Financial Statements

Wisconsin derives its name from the Indian description "where the waters gather." Two of the Great Lakes and the Mississippi River border a land mass which contains 15,000 glacial lakes and 2,000 streams and rivers. Opportunities for pleasure boating abound, as do sailboat, speedboat and regatta competitions.

State of Wisconsin \ LEGISLATIVE AUDIT BUREAU

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Representative Joseph Wineke, Co-Chairpersons
Joint Legislative Audit Committee
State Capitol
Madison, Wisconsin 53702

Mr. James Klauser, Secretary
Department of Administration
101 South Webster Street
Madison, Wisconsin 53702

We have examined the Statement of Recorded Assets, Liabilities and Fund Balances - All Funds - Statutory Basis of the State of Wisconsin as of June 30, 1987, and the related Statement of Recorded Receipts, Disbursements and Changes in Fund Balances - All Funds - Statutory Basis; Statement of Recorded Receipts, Disbursements and Fund Balance - Budget vs. Actual - General Fund - General Purpose Revenues - Statutory Basis; and Summary of Receipts and Disbursements - All Funds - Statutory Basis for the year then ended. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As described in Note A, the aforementioned financial statements were prepared in accordance with the basis of accounting prescribed by the Wisconsin Statutes. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly the recorded assets, liabilities and fund balances of the State of Wisconsin as of June 30, 1987 and the recorded receipts, disbursements and changes in fund balances for the year then ended, on the basis of accounting described in Note A, which has been applied in a manner consistent with that of the preceding year.

Our examination was made for the purpose of forming an opinion on the statements taken as a whole referred to in the scope paragraph. The accompanying financial information listed as financial section-supplemental data, statistical section, and appendix in the table of contents is presented for purposes of additional analysis and is not a required part of the statements referred to in the scope paragraph. Such information has not been subjected to the auditing procedures applied in the examination of the statements referred to in the scope paragraph and, accordingly, we express no opinion on it.

LEGISLATIVE AUDIT BUREAU

October 5, 1987

by Dale Cattanach
Dale Cattanach
State Auditor

EXHIBIT A-1

STATE OF WISCONSIN
STATEMENT OF RECORDED ASSETS, LIABILITIES AND FUND BALANCES - ALL FUNDS - STATUTORY BASIS

JUNE 30, 1987

	GOVERNMENTAL FUNDS				
	General Fund	Special Revenue Funds			Debt Service
		Conservation	Transportation	Other	
ASSETS					
Cash	$ 945	$ 989	$ 840	$ 5,289	$ 1
Imprest Funds	3,285,161	400,000	20,000	2,535	
Investments (Note E)	322,624,304	34,443,000	184,052,000	282,509,511	41,477,000
Accounts Receivable					
Due from Localities	3,850,722				
Due from Other Funds	263,073	150,536	3,888	318,280	
Accrued Revenues & Other	426,977,016	2,469,963	79,324,622	17,269,561	1,019,909
Receivable (Note F)					
Student Loans (Note G)	4,685,393				
Veterans Loans				23,190,483	
State Life Policy Loans					
Rock County Trust	1,164,900				
TOTAL ASSETS	762,851,514	37,464,488	263,401,350	323,295,659	42,496,910
LIABILITIES					
Accounts Payable	246,885,940	7,023,308	71,750,300	6,652,996	
Employe Deductions Payable	3,561,675	136,212	272,151	11,928	
Due to Other Funds	152,984	229,083	20,362	392,339	
Tax Deposits	19,183,437				
Check Float Invested					
Due to Localities	1,012,418				
TOTAL LIABILITIES	270,796,454	7,388,603	72,042,813	7,057,263	0
FUND BALANCE					
Reserves					
Encumbrances & GPR Balances	55,870,295				
Program Revenue Balances	195,880,848				
Contingent Fund Advances	2,885,500	400,000			
Student Loans	4,685,393				
Other Segregated Reserves		29,675,885	191,358,537	316,238,396	42,496,910
Total Reserves	259,322,036	30,075,885	191,358,537	316,238,396	42,496,910
Unreserved Balance					
Designated	0				
Undesignated	232,733,024				
TOTAL FUND BALANCE	492,055,060	30,075,885	191,358,537	316,238,396	42,496,910
TOTAL LIABILITIES AND FUND BALANCES	$ 762,851,514	$ 37,464,488	$ 263,401,350	$ 323,295,659	$ 42,496,910

The accompanying notes are an integral part of this statement.

Capital Projects	TRUST AND AGENCY FUNDS Non-Expendable	Other	Pension and Retirement Funds	TOTAL (Memorandum Only) June 30, 1987	June 30, 1986
$ 1,434	$ 4,250	$ 6,573	$ 618	$ 20,939	$ 20,110
		30		3,707,726	3,529,850
109,995,000	275,445,041	1,343,443,901	15,461,758,959	18,055,748,716	15,797,912,376
				3,850,722	8,190,118
160,022	175	1,092,989	363,826	2,352,789	8,861,668
	304	49,434,868	110,451,750	686,947,993	654,005,700
				4,685,393	5,127,502
				23,190,483	26,108,180
		3,419,075		3,419,075	3,666,803
				1,164,900	1,099,250
110,156,456	275,449,770	1,397,397,436	15,572,575,153	18,785,088,736	16,508,521,557
1,536,116	181,443	62,647,874	38,725,433	435,403,410	400,241,880
		11,449	289,970	4,283,385	5,119,132
76,060	1,075	27,734	1,453,151	2,352,788	8,861,492
				19,183,437	12,836,730
		32,999,748		32,999,748	87,635,309
				1,012,418	0
1,612,176	182,518	95,686,805	40,468,554	495,235,186	514,694,543
				55,870,295	61,804,883
				195,880,848	214,498,910
				3,285,500	2,814,500
				4,685,393	5,127,501
108,544,280	275,267,252	1,301,710,631	15,532,106,599	17,797,398,490	15,429,837,656
108,544,280	275,267,252	1,301,710,631	15,532,106,599	18,057,120,526	15,714,083,450
				0	42,670,215
				232,733,024	237,073,349
108,544,280	275,267,252	1,301,710,631	15,532,106,599	18,289,853,550	15,993,827,014
$110,156,456	$ 275,449,770	$1,397,397,436	$15,572,575,153	$18,785,088,736	$16,508,521,557

EXHIBIT A-2
STATE OF WISCONSIN
STATEMENT OF RECORDED RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES - ALL FUNDS - STATUTORY BASIS FOR THE FISCAL YEAR ENDED JUNE 30, 1987

	GOVERNMENTAL FUNDS						
	General Fund			Special Revenue Funds			Debt
	GPR	PR	Sub-Total	Conservation	Transportation	Other	Service
RECEIPTS							
Taxes	$ 4,954,946,296	$ 6,909,812	$ 4,961,856,108	$ 25,012,930	$ 427,421,195	$ 94,528	
Federal Aid	4,736,479	1,871,442,787	1,876,179,266	11,384,776	215,935,411	336	$ 1,012,247
Fees	9,610,365	330,531,331	340,141,696	2,515,988	7,414	2,734,183	
Licenses and Permits	1,975,002	15,302,124	17,277,126	38,621,813	165,065,410		
Services General	10,284,307	451,048,705	461,333,012	765,370	11,425,602	2,135,158	
Contributions		47,092,181	47,092,181	419,543	30,640,080		
Sale of Products	1,160,906	106,597,411	107,758,317	3,121,182	99,112	26,628	
Investment Income	26,345,659	30,927,718	57,273,377	2,344,227	10,088,281	140,877,607	4,857,343
Gifts and Grants	564	94,633,517	94,634,081	224,214		4,696	
Proceeds from Sale of Bonds							
Other Revenue (Note J)	15,100,868	149,067,348	164,168,216	845,886	7,874,972	1,542,337	
Utility Tax Rebate	(28,237,698)		(28,237,698)				
Interfund Transfers	20,921,554	12,868,223	33,789,777	(2,248,918)	120,316	17,150,203	316,426,699
TOTAL RECEIPTS	5,016,844,302	3,116,421,157	8,133,265,459	83,007,011	868,677,793	164,565,676	322,296,289
DISBURSEMENTS							
Commerce	31,500,118	63,874,235	95,374,353		195,451	131,894	
Education	1,896,935,229	1,173,849,514	3,070,784,743		3,265,954		
Environmental Resources	107,680,785	16,705,332	124,386,117	91,051,813	885,742,972	3,329,208	
Human Relations & Resources (Note J)	1,387,828,705	1,769,869,783	3,157,698,488			153,696,900	
General Executive	104,264,153	66,288,962	170,553,115		787,104	1,908,906	
Judicial	34,033,965	938,398	34,972,363			334,406	
Legislative	27,126,396	285,681	27,412,079				
General (Incl. Shared Revenue)	1,480,886,935	43,031,564	1,523,918,499	191,951	21,146,001	72,803	359,307,521
Building Program							
TOTAL DISBURSEMENTS	5,070,256,288	3,134,843,469	8,205,099,757	91,243,764	911,137,482	159,474,117	359,307,521
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(53,411,986)	(18,422,312)	(71,834,298)	(8,236,753)	(42,459,689)	5,091,559	(37,011,232)
LAPSED BALANCES	24,747	(24,747)					
FUND BALANCES AT BEGINNING OF YEAR	346,675,951	217,213,407	563,889,358	38,312,638	233,818,226	311,146,837	79,508,142
FUND BALANCES AT END OF YEAR	$ 293,288,712	$ 198,766,348	$ 492,055,060	$ 30,075,885	$ 191,358,537	$316,238,396	$ 42,496,910

The accompanying notes are an integral part of this statement

TRUST AND AGENCY FUNDS			Pension and Retirement Funds	TOTAL (Memorandum Only)	
Capital Projects	Non Expendable	Other		June 30, 1987	June 30, 1986
				$ 5,414,384,761	$ 5,204,500,469
$ 654,895	$ 499			2,105,167,430	2,072,198,546
		$ 38,444,075		383,843,356	352,290,976
				220,964,349	226,929,052
	913	503,649		476,163,704	453,001,718
		570,169,133	$ 612,324,194	1,260,645,131	1,925,104,186
	387,705	31,103		111,424,047	107,891,333
11,563,354	5,392,476	104,472,389	1,922,022,456	2,258,891,510	3,159,736,445
(23,000)	3,515,065	1,651,355		100,006,411	73,795,046
242,844,000				242,844,000	40,992,916
(199,691)	19,307,208	8,088,856	71,617,262	273,245,046	173,547,015
				(28,237,698)	
1,663,150	(2,047,777)	10,667,404		375,520,854	388,984,486
256,502,708	26,556,089	734,027,964	2,605,963,912	13,194,862,901	14,178,972,188
		28,243,875		123,945,573	107,045,257
		18,099,515		3,092,150,212	2,957,454,638
				1,104,510,110	1,011,450,658
		1,089,250		3,312,484,638	3,112,878,543
		470,354,485	427,260,533	1,070,864,143	1,332,065,299
				35,306,769	35,197,379
				27,412,079	27,478,980
		1,178	3,200	1,904,641,153	1,766,499,761
227,521,688				227,521,688	181,676,171
227,521,688	0	517,788,303	427,263,733	10,898,836,365	10,531,746,686
28,981,020	26,556,089	216,239,661	2,178,700,179	2,296,026,536	3,647,225,502
79,563,260	248,711,163	1,085,470,970	13,353,406,420	15,993,827,014	12,346,601,512
$ 108,544,280	$ 275,267,252	$1,301,710,631	$ 15,532,106,599	$ 18,289,853,550	$ 15,993,827,014

EXHIBIT A-3
STATE OF WISCONSIN
STATEMENT OF RECORDED RECEIPTS, DISBURSEMENTS AND FUND BALANCE - BUDGET VS. ACTUAL - GENERAL FUND - GENERAL PURPOSE REVENUES - STATUTORY BASIS FOR THE FISCAL YEAR ENDED JUNE 30, 1987 (THOUSANDS)

	BUDGET (NOTE H)				ACTUAL	VARIANCE
	CARRY FORWARD	PUBLISHED BUDGET	ADJUSTMENTS	FINAL BUDGET		
Beginning Unreserved Undesignated Balance		$ 230,730	$ 6,343	$ 237,073	$ 237,073	
Beginning Unreserved Designated Balance			42,670	42,670	42,670	
Reserve for Encumbrances & GPR Balances	$61,805			61,805	61,805	
Other Reserves	5,128			5,128	5,128	
Total	66,933	230,730	49,013	346,676	346,676	
RECEIPTS						
Taxes:						
Individual		2,164,500	44,300	2,208,800	2,224,053	$15,253
Corporation		455,000	10,000	465,000	470,689	5,689
Sales & Use		1,625,000	35,000	1,660,000	1,651,907	(8,093)
Excise		174,200	(600)	173,600	173,671	71
Inheritance		74,200	8,300	82,500	82,135	(365)
Gift		1,600	2,300	3,900	3,469	(431)
Public Utility		275,400	(25,400)	250,000	256,011	6,011
Insurance		59,300	6,100	65,400	67,050	1,650
Miscellaneous		25,964	36	26,000	25,961	(39)
Total Taxes		4,855,164	90,036	4,935,200	4,954,946	19,746
Utility Tax Rebate - Prior Years			(28,238)	(28,238)	(28,238)	
Departmental Revenue/Federal Aid		93,132	(12,063)	81,069	90,136	9,067
Total Receipts		4,948,296	39,735	4,988,031	5,016,844	28,813
TOTAL AVAILABLE	$66,933	$5,179,026	$ 88,748	$5,334,707	$5,363,520	$28,813

	BUDGET (NOTE H)				ACTUAL	VARIANCE	
	CARRY FORWARD	PUBLISHED BUDGET	ADJUSTMENTS	FINAL BUDGET		LAPSE	RESERVE FOR ENCUMBRANCES & GPR BALANCES
DISBURSEMENTS							
Commerce	$ 3,314	$ 28,668	$ 3,106	$ 35,088	$ 31,500	$ 785	$ 2,803
Education	2,724	1,861,284	47,638	1,911,646	1,896,935	11,709	3,002
Environmental Resources	27,345	125,060	(5,782)	146,623	107,681	13,103	25,839
Human Relations & Resources	18,077	1,385,490	14,479	1,418,046	1,387,829	7,190	23,027
General Executive	1,317	92,687	11,870	105,874	104,264	862	748
Judicial	30	31,740	2,396	34,166	34,034	83	49
Legislative	2	25,092	2,197	27,291	27,126	161	4
General	8,996	1,485,599	(12,255)	1,482,340	1,480,887	1,054	399
Less: Estimated Lapse		(48,681)	8,180	(40,501)		(40,501)	
Total Disbursements	61,805	4,986,939	71,829	5,120,573	5,070,256	$ (5,554)	$55,871
Balance From Operations	5,128	192,087	16,919	214,134	293,264		
Add:							
Program Revenue Lapse					25		
ENDING BALANCES	5,128	192,087	16,919	214,134	293,289		
Consisting of:							
Reserve for Encumbrances & GPR Balances					55,871		
Other Reserves	$ 5,128			5,128	4,685		
Unreserved Balance: (Note I)							
Designated for Compensation Reserve		95,093	(95,093)				
Undesignated		$ 96,994	$112,012	$ 209,006	$ 232,733		

The accompanying notes are an integral part of this statement.

EXHIBIT A-4
STATE OF WISCONSIN
SUMMARY OF RECEIPTS AND DISBURSEMENTS - ALL FUNDS - STATUTORY BASIS
(Including Interfund Transfers)
For the Fiscal Year Ended June 30, 1987

Funds by Category	Net Balance 06/30/86	1986-87 Receipts	1986-87 Disbursements	Net Balance 06/30/87
GOVERNMENTAL				
General Fund	$ 563,889,358	$ 8,133,265,459	$ 8,205,099,757	$ 492,055,060
Special Revenue				
Conservation	38,312,638	83,007,011	91,243,764	30,075,885
Transportation	233,818,226	868,677,793	911,137,482	191,358,537
Other				
Waste Management	3,723,646	477,375		4,201,021
Wisconsin Election Campaign	1,655,070	524,683	1,827,221	352,532
Investment and Local Impact	252,721	106,760	29,519	329,962
Elderly Property Tax Deferral	2,636,712	181,438	52,166	2,765,984
Industrial Bldg. Construction	228,843	8,399		237,242
Mediation	1,151,438	348,893	334,406	1,165,925
Groundwater	602,848	2,047,641	2,373,532	276,957
Environmental Repair	835,732	1,794,354	1,209,359	1,420,727
Veterans Trust	30,679,585	1,633,909	4,043,942	28,269,552
Veterans Mortgage Loan	269,380,242	157,442,224	149,603,972	277,218,494
Total Other	311,146,837	164,565,676	159,474,117	316,238,396
Total Special Revenue	583,277,701	1,116,250,480	1,161,855,363	537,672,818
Debt Service				
Bond Redemption	79,508,142	322,296,289	359,307,521	42,496,910
Capital Projects				
State Building Trust	10,651,864	2,237,763	2,722,423	10,167,204
Capital Improvement	68,911,396	254,264,945	224,799,265	98,377,076
Total Capital Projects	79,563,260	256,502,708	227,521,688	108,544,280
TOTAL GOVERNMENTAL	1,306,238,461	9,828,314,936	9,953,784,329	1,180,769,068
TRUST AND AGENCY				
Nonexpendable				
Agriculture College	305,282			305,282
Common School Principal	149,421,840	19,535,638		168,957,478
Normal School	15,794,057	101,417		15,895,474
University	234,130			234,130
Benevolent	13,500			13,500
University Trust Principal	78,054,015	6,918,515		84,972,530
State Housing Authority Res	4,888,339	519		4,888,858
Total Nonexpendable	$ 248,711,163	$ 26,556,089	$ 0	$ 275,267,252

Funds by Category	Net Balance 06/30/86	1986-87 Receipts	1986-87 Disbursements	Net Balance 06/30/87
Other				
Wis. Health Educ. Loan Repayment	$ 6,684	$ 203,392	$ 235,427	$ (25,351)
Childrens Trust	4,443	6,270		10,713
Work Injury Benefits	1,079,454	1,849,585	1,089,250	1,839,789
Health Ins. Risk Sharing Plan	0	42,690	42,690	0
Local Govt. Property Insurance	11,900,480	7,917,759	8,480,821	11,337,418
State Life Insurance	33,125,850	4,955,439	1,850,833	36,230,456
Patients Compensation Fund	48,982,414	42,807,600	17,871,814	73,918,200
Local Govt. Pooled Investments	934,405,280	190,300,795		1,124,706,075
Historical Society Trust	2,294,621	882,349	169,781	3,007,189
Public Employe Trust	19,503,365	463,510,674	470,353,380	12,660,659
Common School Income	9,910,371	10,772,038	10,470,937	10,211,472
University Trust Income	24,258,008	10,779,373	7,223,370	27,814,011
Total Other	1,085,470,970	734,027,964	517,788,303	1,301,710,631
TOTAL TRUST AND AGENCY	1,334,182,133	760,584,053	517,788,303	1,576,977,883
PENSION AND RETIREMENT				
Fixed Retirement Trust	11,156,398,981	2,123,793,842	366,719,282	12,913,473,541
Variable Retirement Trust	2,197,007,439	482,170,070	60,544,451	2,618,633,058
TOTAL PENSION AND RETIREMENT	13,353,406,420	2,605,963,912	427,263,733	15,532,106,599
TOTAL - ALL FUNDS	$ 15,993,827,014	$ 13,194,862,901	$ 10,898,836,365	$ 18,289,853,550

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

Note A Basis of Accounting

Wisconsin Statutes require that receipts and disbursements be recognized in the fiscal year in which they are received or paid. Stocks owned by the state retirement funds are an exception since they are adjusted to market at the end of each month and the resultant unrealized gains or losses are reflected in the accounts of those funds. In addition, the State's centralized accounting records remain open until July 31 (August 15 for income, sales and use tax receipts) to permit the State departments to record receipts and disbursements applicable to the fiscal year ended June 30. Exceptions are the Building Trust Fund, the Capital Improvement Fund, and the Bond Security and Redemption Fund, which are closed as of June 30. However, the recording of charges and encumbrances applicable to the prior year is limited by the available appropriation balances of that year. In addition, state administrative policies require that receipts and disbursements be reported on a net basis; i.e., over-collections refunded are deducted from receipts, and overpayments collected are deducted from disbursements.

The July and August recording of prior fiscal years' receipts and disbursements results in accrued revenues and accounts payable in the statement of assets, liabilities and fund balances. Included in these amounts are receivables and payables between funds which are not eliminated for presentation as "due to" or "due from" other funds. Fixed assets as well as inventories purchased are recorded as disbursements in the period in which they are paid. Encumbrances are not treated as disbursements but are recorded separately for purposes of establishing reserves. Unused appropriation balances in some cases by law may be allowed to continue for use in future years, rather than lapse to the General Fund. In these cases the continuing balances are treated as reserves for Program Revenue (PR) or General Purpose Revenue (GPR) balances. GPR consists of general taxes, miscellaneous receipts and revenues which are paid into the general fund, lose their identity, and are then available for appropriation by the legislature. PR consists of funds also paid into the general fund which are dedicated for specific purposes and are appropriated by the legislature as estimates through the use of revolving funds.

Note B Fiscal Controls

The State Constitution provides that no money shall be paid out of the Treasury except as appropriated by law. The Statutes require that the Secretary of Administration and the State Treasurer must approve all payments. The Secretary of Administration exercises detail allotment control over all agency appropriations and approval authority over all encumbrances. The Secretary of Administration is also responsible for audit of expenditures prior to disbursement. The Legislative Audit Bureau has post-audit responsibility.

The Department of Administration maintains separate accounts for all appropriations showing the amounts appropriated, the amounts allotted, the amounts encumbered, the amounts expended and certain other data necessary to the financial management and control of all State accounts. The Department also maintains the general ledgers of the funds of the State including the General Fund.

The Statutes further provide that if, following the enactment of the budget, the Secretary of Administration determines that budgeted expenditures will exceed revenues by more than one-half of one percent of General Purpose Revenues (which includes General Fund revenues and various miscellaneous receipts), then revenues must be reestimated. Thereupon, the Secretary of Administration must notify the Governor and the Legislature and its Joint Committee on Finance, and the Governor shall submit a bill correcting the imbalance. If the Legislature is not in session, the Governor shall call a special session to take up the matter.

Note C General Fund Borrowing

The cash position of the General Fund was inadequate to meet all claims when due for substantial periods during Fiscal year 1986-87. This was caused by the payment of large local assistance payments, principally shared revenues, school aids and property tax relief, in July, November and December before adequate cash reserves could be accumulated to fund them. On July 31, 1986, in order to meet these obligations, the State of Wisconsin issued $350 million in short-term operating notes. These notes were repaid in full when due on June 15, 1987. To avoid overstating receipts and disbursements, the issuance, the repayment and the appropriations authorizing the repayment for the principal amount of $350 million are not reflected in the financial statements.

Note D Classification of Funds

Funds are generally classified in accordance with classification criteria appropriate for governmental accounting.

However, certain activities of a proprietary and fiduciary nature are combined within the Governmental and other Trust and Agency Funds. In addition, the activities of the State Building Trust Fund, included within the Capital Projects classification, consist of capital projects as well as maintenance and repairs to state facilities.

Note E Investment Valuation

Investments are valued as follows:

Bonds:	
Par	$ 7,074,796,486
Lower of Cost or Par	165,996,591 (a)
Market	262,241,647
	7,503,034,724
Stock:	
Cost	55,402,867
Market	6,340,940,515
	6,396,343,382
Notes or Mortgages:	
Cost Less Principal Payment	481,247,680
Limited Partnerships, Capital Ventures and Participating Agreements	
Par	224,597,448
Market	26,163,071
	250,760,519
Commercial Paper, Government Agency Holdings, Repurchase Agreements, Certificates of Deposit and Bankers Acceptances:	
Amortized Cost	3,352,719,301
Cost	71,643,110
	3,424,362,411
	$ 18,055,748,716

(a) Includes $56,283,609 in State of Wisconsin general obligation bonds acquired by the Veteran's Mortgage Loan Repayment Fund as set out in 1985 Wisconsin Act 6 which provided for the refunding of general obligation bonds issued for the Veteran's Primary Mortgage Loan Program.

Proceeds received at the time these bonds and interest thereon are paid will be used to pay a portion of the debt service due on general obligation bonds issued for veteran's mortgage loans.

Note F Appropriated Loans

Not included are appropriated loans to other funds and to independent authorities created by the Legislature. Appropriated loans, legally recorded as expenditures, are shown in the following table:

General fund loans to the Wisconsin Housing and Economic Development Authority:	
Wis. Act 9, March 23, 1985 (Chapter 20.490(3)(a))	$ 9,756,000
General Fund Loan to the Elderly Property Tax Deferral Fund	
Wis. Act 120, February 7, 1986 (Chapter 20.855(4)(fb))	2,500,000*
General fund loan to the Mining Investment and Local Impact Fund Board	
(Chapter 20.855(4)(fa))	2,307,715*
General fund loan to the Community Development Finance Authority	
(Chapter 20.442(1)(b))	150,000
	$ 14,713,715

* The repayment of these loans was forgiven by 1987 Wisconsin Act 27, enacted August 1, 1987.

Note G Collectability of Asset

The student loans receivable balance of $4,685,393 represents the remaining outstanding principal balance of state direct loans made prior to July 1, 1973. These loans originally totaled approximately $52 million. We believe that approximately $3.81 million of the amount receivable may be uncollectable based on an analysis of the loan accounts.

Note H Published Budget

The published budget amounts used in Exhibit A-3 are those shown for "General Purpose Revenues" (GPR) under state statute Chapter 20, Appropriations and Budget Management, published September 1986, which includes all statutory budget actions through 1985 Wisconsin Act 342.

The adjustments column reflects official revenue and appropriation lapse reestimates, statutorily required appropriation adjustments to sum-sufficient and biennial appropriations, appropriations enacted subsequent to 1985 Wisconsin Act 342, and appropriation changes enacted under the statutory authority of the Legislative Joint Finance Committee.

The State of Wisconsin utilizes a budgetary procedure within the General Fund which treats most federal grant revenues, licenses and fees and revenues for proprietary activities as dedicated for the activities to which they relate. As such, variable budgeting techniques are utilized and the official state budget includes them only as estimates. These accounts, referred to as Program Revenue Appropriations, are not in-

cluded in Exhibit A-3. Only those appropriations made from nondedicated General Purpose Revenues are included.

Note I Projected to Actual General Fund Condition

The variance between the published budgeted ending balance and actual unreserved balance at the end of the fiscal year 1986-87 are explained as follows:

		(thousands)	
Budgeted Ending Balance			$192,087
Adjustment to Beginning Balance:			
Undesignated		$ 6,343	
Designated - Biennial Reappropriations		14,432	
Designated - Utility Tax Rebate		28,238	
Total Adjustments to Beginning Balance			49,013
Adjustments for Revenue Variance:			
Increase in Tax Revenue		99,782	
Increase in Departmental Revenue		(2,996)	
Utility Tax Rebate Budgeted in Prior Year		(28,238)	
Total Increase in Revenue			68,548
Appropriation Adjustments			
New Legislation (Net Increase in appropriations)		(6,909)	
Sum Sufficient for Compensation Reserve	$(95,093)		
Unused Compensation Reserve	16,029		
Total Compensation Reserve Adjustments	(79,064)		
Other Sum Sufficient Adjustments	36,205		
Total Sum Sufficient Adjustments		(42,859)	
Biennial Adjustments		(13,881)	
Total Appropriation Adjustments			(63,649)
Other Adjustments			
Actual Lapse Less Than Budget			(13,709)
Student Loan Repayments			443
Total Other Adjustments			(13,266)
Unreserved Undesignated Balance			$232,733

Note J Child Support Offsets

In prior fiscal years that portion of child support program revenue collections used to offset the state and federal share of the Aid to Families with Dependent Children program was recorded as a reduction of program revenue collections, and as a reduction of federal and state AFDC program expenditures. In fiscal year 1986-87 $57,384,979 of child support collections used to offset federal and state AFDC program costs were recorded as program revenue expenditures rather than as a reduction of child support program revenue collections. The statewide effect of this change for fiscal year 1986-87 is to reflect the gross amount of child support collections and the gross amount of AFDC program costs.

Financial Section Supplemental Data

A variety of ski hills are maintained in Wisconsin, from small family-oriented establishments to plush resorts; from beginner courses to long, challenging slopes. Most provide rope tows, T-bars, chair lifts and warming houses. Instructors and snowmaking facilities are frequently available.

EXHIBIT B-1
COMPARATIVE CONDITION OF THE GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 1987 AND PREVIOUS YEARS

	JUNE 30, 1987	JUNE 30, 1986	JUNE 30, 1985
ASSETS			
Cash	$ 945	$ 986	$ 335
Imprest Funds	3,285,161	3,118,735	2,606,760
Investments	322,624,304	375,469,304	341,369,772
Accounts Receivable			
Due from Localities	3,850,722	8,190,118	
Due from Other Funds	263,073	989,843	1,439,234
Accrued Revenues & Other	426,977,016	394,088,968	489,000,858
Loans Receivable			
Student Loans	4,685,393	5,127,502	6,207,775
Rock County Trust	1,164,900	1,099,250	1,022,131
TOTAL ASSETS	762,851,514	788,084,706	841,646,865
LIABILITIES			
Accounts Payable	246,885,940	206,855,411	302,015,017
Employe Deductions Payable	3,561,675	4,447,867	2,531,398
Due to Other Funds	152,984	55,340	2,899
Tax Deposits	19,183,437	12,836,730	10,112,270
Due to Localities	1,012,418		4,399,942
TOTAL LIABILITIES	270,796,454	224,195,348	319,061,526
FUND BALANCE			
Reserves			
Encumbrances & GPR Balances	55,870,295	61,804,883	43,741,797
Program Revenue Balances	195,880,848	214,498,910	155,987,623
Fire Department Dues			108,309
Contingent Fund Advances	2,885,500	2,714,500	2,455,500
Student Loans	4,685,393	5,127,501	6,207,775
Total Reserves	259,322,036	284,145,794	208,501,004
Unreserved Balance - Designated	0	42,670,215	0
Unreserved Balance - Undesignated	232,733,024	237,073,349	314,084,335
TOTAL FUND BALANCE	492,055,060	563,889,358	522,585,339
TOTAL LIABILITIES AND FUND BALANCES	$762,851,514	$788,084,706	$841,646,865

Total Receipts, State of Wisconsin, 1986-87

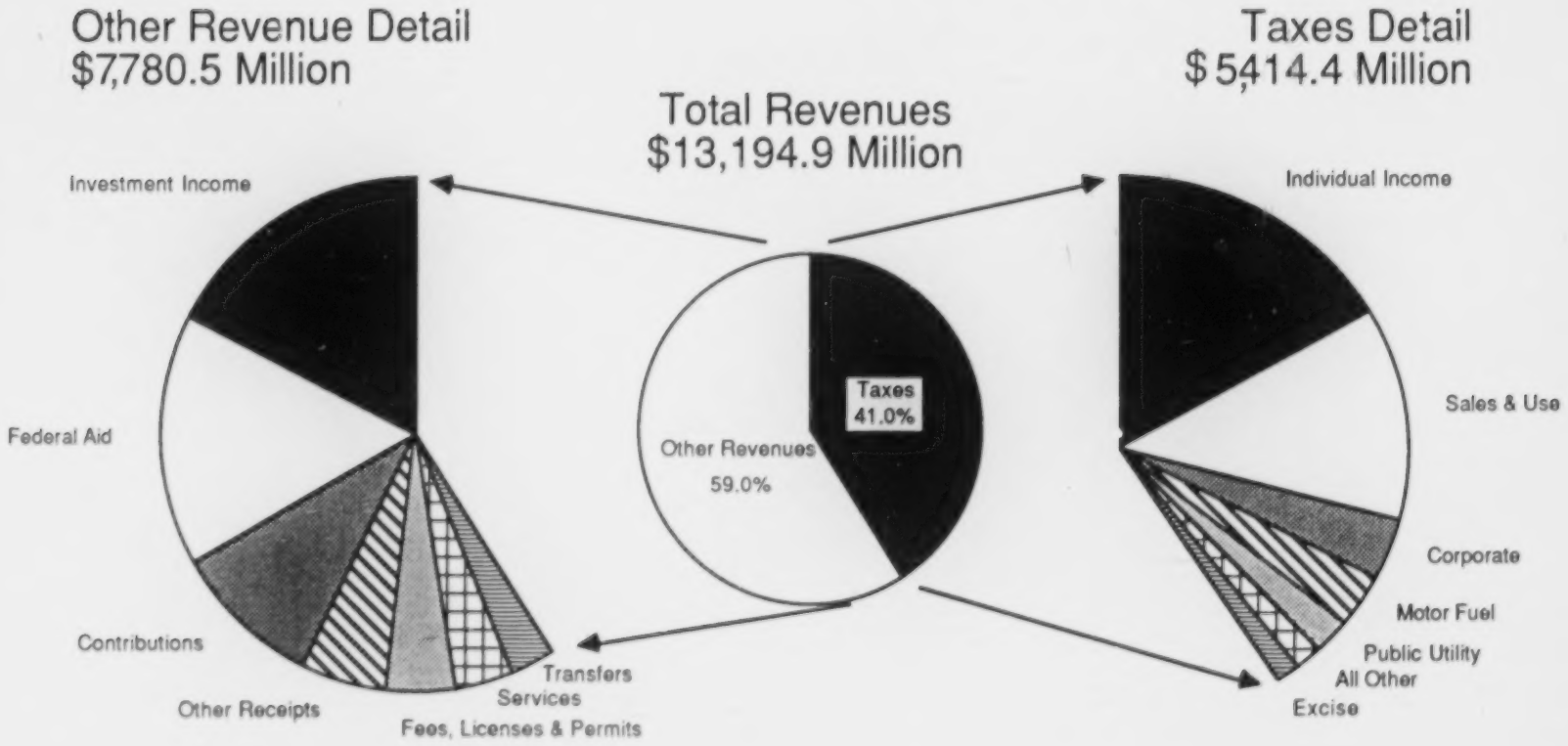

EXHIBIT B-2
ANALYSIS OF RECEIPTS - ALL FUNDS
As of June 30

Type of Receipt	1986-87	1985-86	1984-85
TAX RECEIPTS			
General Purpose Revenue			
Income Taxes			
Individual	$ 2,224,052,511	$ 2,239,066,750	$ 2,009,109,148
Corporation	470,688,750	407,590,170	413,645,057
Total Income Taxes	2,694,741,261	2,646,656,920	2,422,754,205
Sales and Excise Taxes			
General Sales and Use	1,651,906,627	1,543,347,307	1,453,525,383
Cigarette and Tobacco	125,084,759	123,229,184	125,340,207
Tobacco Products	3,998,302	3,899,024	4,043,707
Liquor and Wine	34,720,680	29,989,851	34,061,915
Malt Beverage (Beer)	9,866,980	9,839,840	9,801,924
Total Sales & Excise Taxes	1,825,577,348	1,710,305,206	1,626,773,136
Public Utility Taxes			
Private Light, Heat & Power	89,068,463	88,022,321	90,202,468
Municipal Light, Heat & Power	1,113,178	1,049,559	988,626
Telephone	151,481,573	157,596,814	141,038,996
Pipeline	5,004,078	6,696,771	6,269,812
Electric Cooperative	7,052,632	6,945,318	7,062,544
Freight Line	2,144,907	1,892,142	2,358,569
Telegraph			138,554
Conservation & Regulation	146,357	80,508	82,129
Railroads			543
Special Common Carrier			1,277,676
Total Public Utility Taxes	256,011,188	262,283,433	249,419,917
Inheritance, Estate & Gift Taxes			
Inheritance and Estate	82,135,262	71,659,008	75,681,064
Gift	3,469,026	3,585,072	4,758,560
Total Death & Gift Taxes	85,604,288	75,244,080	80,439,624
Miscellaneous Taxes			
Insurance Companies (Premiums)	67,049,850	59,604,751	48,761,250
Insurance - Fire Dept. Dues			108,309
Lawsuits (Courts)	6,941,124	6,500,738	6,154,545
Real Estate Transfer Fee	18,194,806	14,249,819	12,160,741
Other	826,431	685,480	655,342
Total Miscellaneous Taxes	93,012,211	81,040,788	67,840,187
TOTAL GPR TAX RECEIPTS	4,954,946,296	4,775,530,427	4,447,227,069
Program Tax Receipts			
Fire Dues	6,807,408	6,112,098	4,445,599
Boxing Clubs (90%)	12,004	5,667	17,674
Occupational Mink	5,161	5,315	2,646
County Sales Tax Administration	85,239		
TOTAL PROGRAM TAX RECEIPTS	6,909,812	6,123,080	4,465,919
TOTAL - GENERAL FUND TAX RECEIPTS	$ 4,961,856,108	$ 4,781,653,507	$ 4,451,692,988

EXHIBIT B-2 (continued)
ANALYSIS OF RECEIPTS - ALL FUNDS
As of June 30

	1986-87	1985-86	1984-85
Type of Receipt			
Transportation Fund			
Motor Fuel Tax	$ 417,384,035	$ 388,504,472	$ 369,117,384
Air-Carrier	3,559,815	3,120,290	2,796,099
Railroad	5,334,222	4,880,327	4,899,941
Aviation Fuel	1,143,123	1,018,652	898,628
County Wheel Tax		20,500	
Patient Compensation Panels			4,856
Mediation Fund	3,492	5,007	
Investment and Local Impact	91,036	111,695	79,887
Conservation Fund			
2/10 Mill Forestry Property Tax	24,078,452	24,519,953	24,395,922
Forest Crop Taxes	934,478	666,066	839,010
TOTAL STATE TAX RECEIPTS	5,414,384,761	5,204,500,469	4,854,724,715
Federal Aid	2,105,167,430	2,072,198,546	1,991,201,059
Fees	383,843,356	352,290,976	300,394,153
Licenses and Permits	220,964,349	226,929,052	215,906,053
Services General	476,163,704	453,001,718	426,859,289
Contributions	1,260,645,131	1,925,104,186	1,553,775,897
Sale of Products	111,424,047	107,891,333	94,836,455
Investment Income	2,257,766,474	3,159,736,445	1,654,161,733
Gifts and Grants	100,006,411	73,795,046	63,377,702
Proceeds from General Obligation Bond/Note	242,844,000	40,992,916	511,642,208
Other Receipts (Note J)	274,370,082	173,547,015	90,544,464
TOTAL DEPARTMENTAL RECEIPTS	7,433,194,984	8,585,487,233	6,902,699,013
UTILITY TAX REBATE	(28,237,698)		
TRANSFERS	375,520,854	388,984,486	311,332,090
TOTAL RECEIPTS	$ 13,194,862,901	$ 14,178,972,188	$12,068,755,818

EXHIBIT B-3

SUMMARY OF 1985-86 OPERATIONS BY FUNCTION, AGENCY AND PROGRAM

	BALANCE	APPROPRIATIONS BY SOURCE		EXPENDITURES			BALANCE	
	7/1/85						6/30/86	
	CONTINUING	GENERAL PURPOSE	PROGRAM	STATE OPERATIONS	AIDS	LOCAL ASSISTANCE	LAPSING	CONTINUING
COMMERCE								
General Fund - GPR	$ 2,353,287	$ 29,578,614		$ 23,019,124	$ 3,679,349	$ 1,131,978	$ 787,763	$ 3,313,687
PR	6,227,990		$ 36,848,490	34,163,171	9,000		10,400	6,893,909
PR - FED	584,440		26,790,740	2,972,882	154,371	23,432,577		815,349
Segregated Funds	65,035,070	322,500	46,391,881	782,753	11,761,638	5,938,414		94,266,645
Segregated Funds - FED								
TOTAL	75,200,787	29,901,114	110,031,111	60,937,931	15,604,358	30,502,969	798,163	107,289,590
EDUCATION								
General Fund - GPR	1,602,181	1,875,458,227		613,122,625	38,248,415	1,214,333,743	8,631,179	2,724,446
PR	125,637,925		656,971,273	646,537,206	2,601,108	10,051,086		123,419,799
PR - FED	4,439,170		412,232,924	196,557,597	88,204,841	129,411,583		2,498,073
Segregated Funds	95,331,553	2,948,900	34,868,609	5,989,170		12,397,265		114,762,627
Segregated Funds - FED								
TOTAL	227,010,829	1,878,407,127	1,104,072,806	1,462,206,597	129,054,364	1,366,193,677	8,631,179	243,404,945
ENVIRONMENTAL RESOURCES								
General Fund - GPR	21,731,199	122,968,513		36,211,813	379,372	71,098,507	9,665,467	27,344,553
PR	1,617,626		3,633,918	3,962,490				1,289,055
PR - FED	1,266,050		9,562,992	8,374,617		2,154,722		299,703
Segregated Funds	252,038,956	(5,164,981)	707,951,514	451,456,763	3,430,509	219,784,366		280,153,851
Segregated Funds - FED	(4,456,906)		215,422,678	209,164,821	802,601	4,630,077		(3,631,726)
TOTAL	272,196,925	117,803,532	936,571,103	709,170,504	4,612,482	297,667,671	9,665,467	305,455,436
HUMAN RELATIONS AND RESOURCES								
General Fund - GPR	15,378,547	1,318,363,003		256,796,405	773,921,520	276,836,522	8,109,982	18,077,121
PR	10,560,612		262,990,533	209,342,429	43,494,526	11,663,517		9,050,672
PR - FED	3,589,249		1,381,350,215	146,500,679	1,117,080,273	109,602,861		11,755,652
Segregated Funds	404,355,094	127,300	207,618,576	167,918,644	3,523,668	159,000		440,499,659
Segregated Funds - FED	(4,089,141)		4,089,141					
TOTAL	429,794,361	1,318,490,303	1,856,048,465	780,558,157	1,938,019,987	398,261,899	8,109,982	479,383,104
GENERAL EXECUTIVE FUNCTIONS								
General Fund - GPR	1,714,454	101,928,188		87,673,996	13,097,489	5,204	1,549,349	1,316,602
PR	(10,728,369)		56,819,686	53,479,878			33,736	(7,422,298)
PR - FED	87,798		42,895,522	3,248,591	(42,420)	1,193,468		38,583,682
Segregated Funds	10,312,272,130	753,400	4,237,843,230	1,172,949,569		459,524		13,377,459,667
Segregated Funds - FED								
TOTAL	10,303,346,012	102,681,588	4,337,558,438	1,317,352,034	$ 13,055,069	$ 1,658,197	1,583,086	13,409,937,654
JUDICIAL								
General Fund - GPR	18,484	33,320,329		33,220,204			88,638	29,971
PR	204,770		913,186	909,589				208,367
PR - FED	(11,255)		82,999	71,744				
Segregated Funds	2,005,032		139,575	995,842				1,148,765
Segregated Funds - FED								
TOTAL	$ 2,217,030	$ 33,320,329	$ 1,135,760	$ 35,197,379			$ 88,638	$ 1,387,103

EXHIBIT B-3

SUMMARY OF 1986-87 OPERATIONS BY FUNCTION, AGENCY AND PROGRAM

	BALANCE	APPROPRIATIONS BY SOURCE		EXPENDITURES			BALANCE	
	7/1/86 CONTINUING	GENERAL PURPOSE	PROGRAM	STATE OPERATIONS	AIDS	LOCAL ASSISTANCE	6/30/87 LAPSING	CONTINUING
COMMERCE								
General Fund - GPR	$ 3,313,667	$ 31,774,712		$ 24,460,469	$ 5,582,987	$ 1,456,661	$ 785,322	$ 2,802,959
PR	8,893,909		$ 36,193,049	37,150,746				7,936,212
PR - FED	815,349		26,904,383	2,950,704		23,772,786		996,242
Segregated Funds	94,243,258	343,699	55,734,952	931,050	19,222,586	8,417,583		121,750,689
Segregated Funds - FED								
TOTAL	107,266,203	32,118,411	118,832,383	65,492,969	24,805,574	33,647,030	785,322	133,486,103
EDUCATION								
General Fund - GPR	2,724,446	1,908,921,883		622,342,394	42,466,490	1,232,126,345	11,708,528	3,002,572
PR	123,419,799		719,815,820	728,810,776	1,935,049	9,257,626		103,232,168
PR - FED	2,498,073		430,838,422	207,127,461	88,712,427	138,006,175		(509,567)
Segregated Funds	114,542,427	3,640,300	29,555,967	7,688,388		13,677,081		126,373,225
Segregated Funds - FED								
TOTAL	243,184,745	1,912,562,183	1,180,210,209	1,565,969,019	133,113,965	1,393,067,228	11,708,528	232,098,398
ENVIRONMENTAL RESOURCES								
General Fund - GPR	27,344,553	119,278,072		37,297,094	1,197,000	69,186,691	13,103,358	25,838,483
PR	1,289,055		4,112,799	4,400,635				1,091,218
PR - FED	299,703		15,386,315	10,183,045		2,121,652		3,381,321
Segregated Funds	280,415,958	(23,456,837)	727,261,941	512,478,760	4,382,488	238,602,049		228,757,764
Segregated Funds - FED	(3,631,726)		225,828,199	219,428,834	685,097	4,546,765		(2,464,223)
TOTAL	305,717,542	95,821,236	972,589,253	783,788,368	6,264,585	314,457,157	13,103,358	256,514,563
HUMAN RELATIONS AND RESOURCES								
General Fund - GPR	18,077,121	1,399,968,539		266,956,811	809,919,910	310,951,983	7,189,730	23,027,226
PR	9,050,672		348,563,394	237,463,616	102,536,641	13,045,483		4,988,326
PR - FED	11,755,652		1,404,344,197	148,950,604	1,161,418,095	106,455,344		(724,194)
Segregated Funds	440,493,171	134,089	190,314,616	154,715,105	2,856,835	159,000		473,210,936
Segregated Funds - FED								
TOTAL	479,376,616	1,400,102,628	1,943,222,207	808,086,137	2,076,731,481	430,611,810	7,189,730	500,082,294
GENERAL EXECUTIVE FUNCTIONS								
General Fund - GPR	1,316,602	104,557,109		95,413,861	10,650,076	216	861,712	747,847
PR	(7,422,298)		58,387,957	59,496,261			24,747	(8,555,349)
PR - FED	38,583,602		26,678,300	3,131,265	2,055,136	1,606,300		56,469,281
Segregated Funds	13,377,447,636	805,400	3,070,276,079	898,454,288	1,827,222	29,519		15,548,218,087
Segregated Funds - FED								
TOTAL	13,409,925,622	105,362,509	3,155,342,336	1,054,495,675	$ 14,732,433	$ 1,636,035	886,459	15,598,879,866
JUDICIAL								
General Fund - GPR	29,971	34,135,791		34,033,965			82,898	48,899
PR	208,367		1,041,533	937,451				312,449
PR - FED			947	947				
Segregated Funds	1,148,765		348,551	334,406				1,162,910
Segregated Funds - FED								
TOTAL	$ 1,387,103	$ 34,135,791	$ 1,391,031	$ 35,306,769			$ 82,898	$ 1,524,258

EXHIBIT B-3 (continued)

SUMMARY OF 1985-86 OPERATIONS BY FUNCTION, AGENCY AND PROGRAM

	BALANCE	APPROPRIATIONS BY SOURCE		EXPENDITURES			BALANCE	
	7/1/85 CONTINUING	GENERAL PURPOSE	PROGRAM	STATE OPERATIONS	AIDS	LOCAL ASSISTANCE	6/30/86 LAPSING	CONTINUING
LEGISLATIVE								
General Fund - GPR	$ 5,576	$ 27,182,434		$ 27,184,427			$ 1,183	$ 2,400
PR	496,409		$ 343,245	294,553				545,101
PR - FED								
Segregated Funds								
Segregated Funds - FED								
TOTAL	501,985	27,182,434	343,245	27,478,980			1,183	547,501
GENERAL APPROPRIATIONS								
General Fund - GPR	938,069	1,414,192,985		40,598,668	$ 142,851,102	$ 1,214,615,967	8,069,213	8,996,103
PR	12,016,208		56,155,615	43,609,978				24,561,845
PR - FED								
Segregated Funds	472,322,787	1,012,881	871,095,104	323,811,163		1,012,881		1,019,606,728
Segregated Funds - FED								
TOTAL	485,277,064	1,415,205,866	927,250,719	408,019,810	142,851,102	1,215,628,848	8,069,213	1,053,164,676
BUILDING PROGRAMS								
Building Trust - SEG	14,475,093		(777,985)	3,045,244				10,651,864
Capital Improvement - SEG	213,726,505		33,815,817	106,368,095	244,095	72,018,737		68,911,396
TOTAL	228,201,599		33,037,832	109,413,339	244,095	72,018,737		79,563,260
TOTAL - ALL FUNCTIONS								
General Fund - GPR	43,741,796	4,922,992,294		1,117,827,262	972,177,247	2,778,021,921	36,902,776	61,804,882
PR	146,033,171		1,074,675,945	992,299,294	46,104,633	21,714,602	44,136	160,546,449
PR - FED	9,955,452		1,872,915,392	357,726,109	1,205,397,064	265,795,210		53,952,459
Segregated Funds	11,832,562,220		6,138,946,321	2,233,317,243	18,959,909	311,770,186		15,407,461,202
Segregated Funds - FED	(8,546,047)		219,511,819	209,164,820	802,600	4,630,076		(3,631,726)
TOTAL	$12,023,746,592	$ 4,922,992,294	$ 9,306,049,480	$ 4,910,334,730	$ 2,243,441,456	$ 3,381,931,998	$ 36,946,912	$ 15,680,133,268

Grand Total Exhibit B-3

Adjustment of GPR Appropriations to Revenue Basis

Adjustment for Accounts Reclassified as Assets/Liabilities

Adjustments for Surplus and Reserves not Included in Accounts

Lapsed Appropriations

Rounding Variances

GRAND TOTAL EXHIBIT A-4

EXHIBIT B-3 (continued)

SUMMARY OF 1986-87 OPERATIONS BY FUNCTION, AGENCY AND PROGRAM

	BALANCE	APPROPRIATIONS BY SOURCE		EXPENDITURES			BALANCE	
	7/1/86 CONTINUING	GENERAL PURPOSE	PROGRAM	STATE OPERATIONS	AIDS	LOCAL ASSISTANCE	6/30/87 LAPSING	CONTINUING
LEGISLATIVE								
General Fund - GPR	$ 2,400	$ 27,288,889		$ 27,126,398			$ 161,292	$ 3,598
PR	545,100		$ 395,670	285,681				655,090
PR - FED								
Segregated Funds								
Segregated Funds - FED								
TOTAL	547,501	27,288,889	395,670	27,412,079			161,292	658,688
GENERAL APPROPRIATIONS								
General Fund - GPR	8,996,103	1,473,343,866		46,732,239	$ 141,230,539	$ 1,292,924,156	1,054,324	398,711
PR	24,561,845		43,587,370	43,031,565				25,117,650
PR - FED								
Segregated Funds	1,019,606,728	18,533,349	515,572,438	379,703,806		1,018,849		1,172,989,859
Segregated Funds - FED								
TOTAL	1,053,164,676	1,491,877,215	559,159,807	469,467,609	141,230,539	1,293,943,005	1,054,324	1,198,506,220
BUILDING PROGRAMS								
Building Trust - SEG	10,651,864		2,237,763	2,722,423				10,167,204
Capital Improvement - SEG	68,911,396		254,264,945	159,595,016		65,204,249		98,377,076
TOTAL	79,563,260		256,502,708	162,317,439		65,204,249		108,544,280
TOTAL - ALL FUNCTIONS								
General Fund - GPR	61,804,882	5,099,268,861		1,152,363,231	1,011,247,001	2,906,646,052	34,947,163	55,870,294
PR	160,546,449		1,212,097,592	1,111,576,730	104,471,690	22,303,109	24,747	134,267,764
PR - FED	53,952,459		1,904,152,564	372,344,025	1,252,185,657	271,962,257		61,613,083
Segregated Funds	15,407,461,202		4,845,567,250	2,116,623,242	28,289,131	327,108,329		17,781,007,750
Segregated Funds - FED	(3,631,726)		225,828,198	219,428,833	685,096	4,546,764		(2,464,222)
TOTAL	15,680,133,268	5,099,268,861	8,187,645,605	$ 4,972,336,063	2,396,878,577	$ 3,532,566,513	34,971,910	18,030,294,669
	15,680,133,268	13,286,914,466			10,901,781,153		34,971,910	18,030,294,671
		(82,424,559)						(82,424,559)
		(10,158,414)			(2,944,790)			(7,213,624)
	313,693,745	531,407						314,225,152
							(34,971,910)	34,971,910
	1	1			2			
	$15,993,827,014	$13,194,862,901			$10,898,836,365		$ 0	$ 18,289,853,550

Total Disbursements by Fund, State of Wisconsin, 1986-87

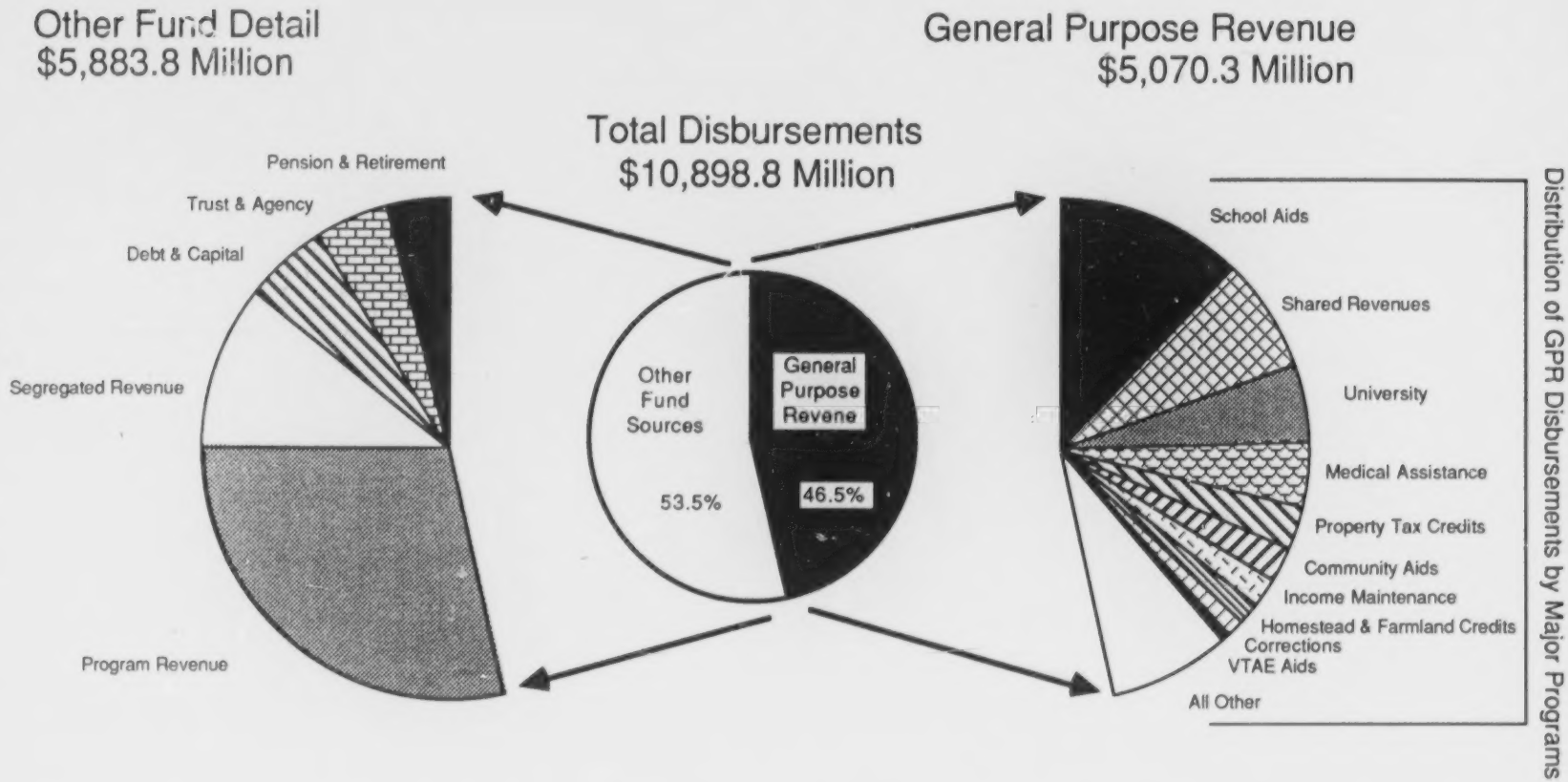

EXHIBIT B-4
STATE OF WISCONSIN CONSERVATION FUND
STATEMENT OF OPERATIONS AND CONDITION

	1986-87	1985-86
Opening Balance (Cash)	$38,312,638	$44,530,080
Revenues		
User Fees (Licenses, Registration)	41,647,003 (A)	39,141,505
Forestry Mill Tax	24,078,452 (B)	24,519,953
Severance Tax	934,478 (C)	666,066
Other Receipts (Sales, Services)	7,225,967 (D)	8,105,516
Federal Aids	9,121,111 (E)	9,496,748
Total Revenues	83,007,011	81,929,788
Expenditures		
Resource Management		
State Funds	46,948,960	49,529,105
Federal Funds	7,495,403	5,008,571
Enforcement		
State Funds	9,225,542	8,720,358
Federal Funds	885,974	475,900
Local Support		
State Funds	5,496,438	4,786,317
Federal Funds	1,466,244	833,168
Administrative Services		
State Funds	16,548,314	15,180,764
Federal Funds	948,666	3,030,136
Other Activities		
State Funds	2,228,223	582,910
Total Expenditures	91,243,764 (F)	88,147,230
FUND BALANCE	30,075,885	38,312,638
RESERVE FOR ENCUMBRANCES	8,126,962	7,519,375
UNRESERVED BALANCE	$21,948,924	$30,793,263

The Conservation Fund is a segregated fund which provides the financial resources for many of the activities of the Department of Natural Resources. It provides the funding for fish and wildlife management, forestry, parks and recreation, law enforcement, administrative activities, and a portion of the Wisconsin Conservation Corps program.

(A) The increase in User Fees is due mainly to an increase in Fishing and Hunting License sales. In addition to the license sales increase, fiscal year 1986-87 was the peak year of the snowmobile and boat registration cycles. Also, fiscal year 1986-87 was the first full year of All-Terrain Vehicle registrations.

(B) The decrease is due to a 1.99% decrease in the state equalized property valuation.

(C) The increase is due to penalties imposed upon land owners who harvest wood products that are enrolled in the Forest Cropland or Managed Forest Land Programs.

(D) The decrease is due mainly to lower interest rates, as well as declining balances in the Conservation Fund, resulting in reduced interest income on funds invested by the State Investment Board.

(E) The decrease in Federal Revenue represents a net decrease. There was actually an increase in Federal Revenue, but due to a Legislative mandate as created by the 1985 Wisconsin Act 29, some Conservation Fund federal revenues were transferred to the General Fund to fund the newly created General Fund Indirect appropriation, this created the decrease in the Conservation Fund Federal Revenue.

(F) The expenditure increase is due to the ongoing cost of operations in existing programs which includes a salary plan increase of approximately 6% for 1986-87, and new or expanded programs approved by the Legislature, such as: Wildlife Damage and Abatement Program, Local Park Aids Program, and the All-Terrain Vehicle Registration Program.

EXHIBIT B-5
TRANSPORTATION FUND
STATEMENT OF OPERATIONS AND CONDITION

	1986-87		1985-86	
	State Funds	Federal, Local & Agency Funds	State Funds	Federal, Local & Agency Funds
Opening Balance	$ 253,686,456	$ (19,868,230)	$ 221,516,634	$ (20,649,112)
Receipts				
Motor Fuel Taxes (A)	417,384,035		388,504,472	
Vehicle Registration (B)	147,777,292		154,124,598	
Drivers License Fees	13,832,250		13,012,466	
Motor Carrier Fees	2,634,940		2,567,478	
Other Motor Vehicle Fees	4,819,815		4,844,493	
Overweight/Oversize Permits	1,400,478		1,392,094	
Investment Earnings	10,088,281		13,888,770	
Aeronautical Taxes and Fees	5,010,410		4,426,339	
Rail Property Taxes	5,334,222		4,880,326	
Dealers' Licenses	636,288		638,939	
Transportation Commission Assessments	354,326		302,839	
Miscellaneous	1,825,672	163,051	4,642,767	(19,993)
Service Center Operations		6,009,961		6,009,386
Highway Assistance - Federal		183,576,680		184,963,438
Highway Assistance - Local		26,343,169		25,943,234
Highway Program Operations - Federal		1,785,470		1,601,870
Airport Assistance - Federal		21,069,617		9,707,412
Airport Assistance - Local		4,377,946		2,464,521
Railroad Assistance - Federal		895,120		384,237
Railroad Assistance - Local		1,112,993		1,995,997
Transit Assistance - Federal		3,125,375		2,944,603
Transit Assistance - Local		283,323		266,759
Administrative Facilities - Revenue Bonds		2,467,656		4,201,871
General Administration and Planning - Federal		5,197,300		4,970,800
General Administration and Planning - Local		114,598		199,104
Hwy. Safety & Enforcement Assessments - Fed.		1,057,525		1,353,572
Total Receipts	611,098,009	257,579,784	593,225,581	246,986,811
TOTAL AVAILABLE	864,784,465	$ 237,711,554	814,742,215	$ 226,337,699
Disbursements				
Local Assistance				
Highways	186,974,778		174,279,716	
Mass Transit	42,965,526		40,073,785	
Harbors	1,173,393		228,552	
Railroads	1,018,849		1,012,881	
Driver Training	3,265,954		2,708,655	
Recreational Facilities	3,801,561		1,254,647	
Air Passenger Service	15,000		30,000	
Total Local Assistance	239,215,061		219,588,236	
Aids to Individuals and Organizations				
Railroad Crossings	1,949,661		2,332,925	
Elderly and Handicapped	797,057		460,879	
Total Aids to Individuals and Organizations	$ 2,746,718		$ 2,793,804	

The Transportation Fund is a multi-purpose special revenue fund created to provide resources for transportation related facilities and modes with revenues derived from users of transportation facilities. The Department of Transportation is the major agency within the fund although several programs within other state agencies derive revenues from the fund. Transportation facilities and major highway projects are also funded with Revenue Bonds.

(A) Effective April 1, 1986 motor fuel tax increased from $.165 to $.175 per gallon and again on April 1, 1987 from $.175 to $.180 per gallon.

EXHIBIT B-5 (continued)
TRANSPORTATION FUND
STATEMENT OF OPERATIONS AND CONDITION

	1986-87		1985-86	
	State Funds	Federal, Local & Agency Funds	State Funds	Federal, Local & Agency Funds
State Operations				
Highway Improvements (C)	$ 118,993,269	$ 210,994,304	$ 90,841,772	$ 208,125,077
Highway Maintenance	101,993,875	590,179	96,236,621	465,845
Highway Traffic Operations	14,788,692	22,704	15,127,119	3,139
Highway Program Operations	9,892,479	1,797,699	10,340,218	1,618,401
Airport Improvements	3,373,731	22,824,111	2,583,299	12,057,940
Railroad Continuation & Facilities	10,825,570	2,429,598	1,379,637	2,333,910
Transit Assistance		3,259,102		3,576,722
Traffic Enforcement & Inspection	29,596,864	793,000	24,448,498	677,131
Highway/Motorcycle Safety	145,375	1,057,525	157,601	1,353,572
General Administration & Planning	29,523,035	3,401,199	28,323,698	3,690,979
Transportation Commission	797,468		741,355	
Vehicle Registration & Drivers Licensing	40,303,939	653,419	34,630,610	282,615
Vehicle Inspection & Maintenance	8,815,015		8,649,510	
Debt Repayment & Interest	23,757,526		24,804,996	
Service Centers		7,720,280		7,754,195
Administrative Facilities		2,467,656		4,201,871
Miscellaneous	698,425	145,164	408,785	64,532
Total State Operations	393,505,263	258,155,940	338,673,719	246,205,929
Transfer to the General Fund (D)	17,514,500			
Total Disbursements	652,981,542	258,155,940	561,055,759	246,205,929
Fund Balance	211,802,923	$ (20,444,386)	253,686,456	$ (19,868,230)
Reserves For Continuing Appropriation Balances				
Local Highway Aids	1,017,955		1,342,967	
Mass Transit Aids	3,909,623		2,202,098	
Railroad Continuation & Facility Acquisition	6,688,452		14,295,509	
Elderly & Handicapped Transit Aids	820,373		1,042,430	
Railroad Crossing Repair Aids	106,942		32,635	
Air Passenger SVC Assistance Aids	75,000		30,000	
Highway Improvement	104,311,326		103,755,372	
Highway Maintenance	40,374,131		36,688,320	
Highway Traffic Operations	1,824,581		2,757,941	
Highway Program Operations	243,998		461,924	
Airport Improvements	4,109,405		4,710,036	
Recreational Facilities Aids	2,837,973		3,268,135	
Water Resource Management	115,922		130,618	
Harbor Assistance Aids	1,555,492		1,728,885	
Lake Michigan Ferry Assistance	1,600,000		1,600,000	
Driver Education	1,335			
Wisconsin Conservation Corp.	5,912		150,000	
General Operations & Miscellaneous	5,064,110		6,832,880	
Total Reserves	174,662,530		181,029,750	
UNRESERVED BALANCE	$ 37,140,393		$ 72,656,706	

(B) Section 84.59, Wisconsin Statutes, provides that vehicle registration revenues derived under s. 341.25 are deposited with a Trustee in a fund outside the State Treasury. Only those funds not required for the repayment of Revenue Bond obligations are considered income to the Transportation Fund. During FY 85-86 $7.0 million was retained by the Trustee and in FY 86-87 $17.4 million was retained by the Trustee.

(C) Does not include highway improvements of $22,267,297 in FY 1985-86 and $39,412,550 in FY 1986-87, which were financed with revenue bond proceeds.

(D) 1985 Wisconsin Act 120 provided for the Fiscal Year 1986-87 transfer of $17,514,500 from the Transportation Fund to the General Fund.

EXHIBIT B-6
UNIVERSITY OF WISCONSIN SYSTEM
CURRENT FUNDS RECEIPTS

Total Univ. of Wis. System 1985-86	Total Univ. of Wis. System 1986-87	% Increase (+) Decrease (−)		Unrestricted Funds	Restricted Funds
$ 251,535,805	$ 282,561,304	+12.3	Tuition and Fees	$ 282,561,304	$
14,567,614	11,691,557	−19.7	Federal Appropriations	11,691,557	
584,342,977	595,094,994	+ 1.8	State Appropriations	595,094,994	
227,935,380	238,845,457	+ 4.8	Federal Government Grants and Contracts	44,967,086	193,878,371
64,669,219	75,040,183	+16.0	State, Local and Private Grants and Contracts	2,246,815	72,793,368
5,597,450	6,788,057	−21.3	Endowment Income		6,788,057
59,974,920	65,639,148	+ 9.4	Educational and Other Sources	65,639,148	
172,133,827	170,837,784	− 0.8	Sales and Services of Auxiliary Enterprises	170,837,784	
118,608,403	132,146,431	+11.4	Sales and Services of Hospitals	132,146,431	
$ 1,499,365,595	$ 1,578,644,915	+ 5.3	TOTAL CURRENT FUNDS RECEIPTS	$ 1,305,185,119	$ 273,459,796

Source of Funds Spent: 1986-87

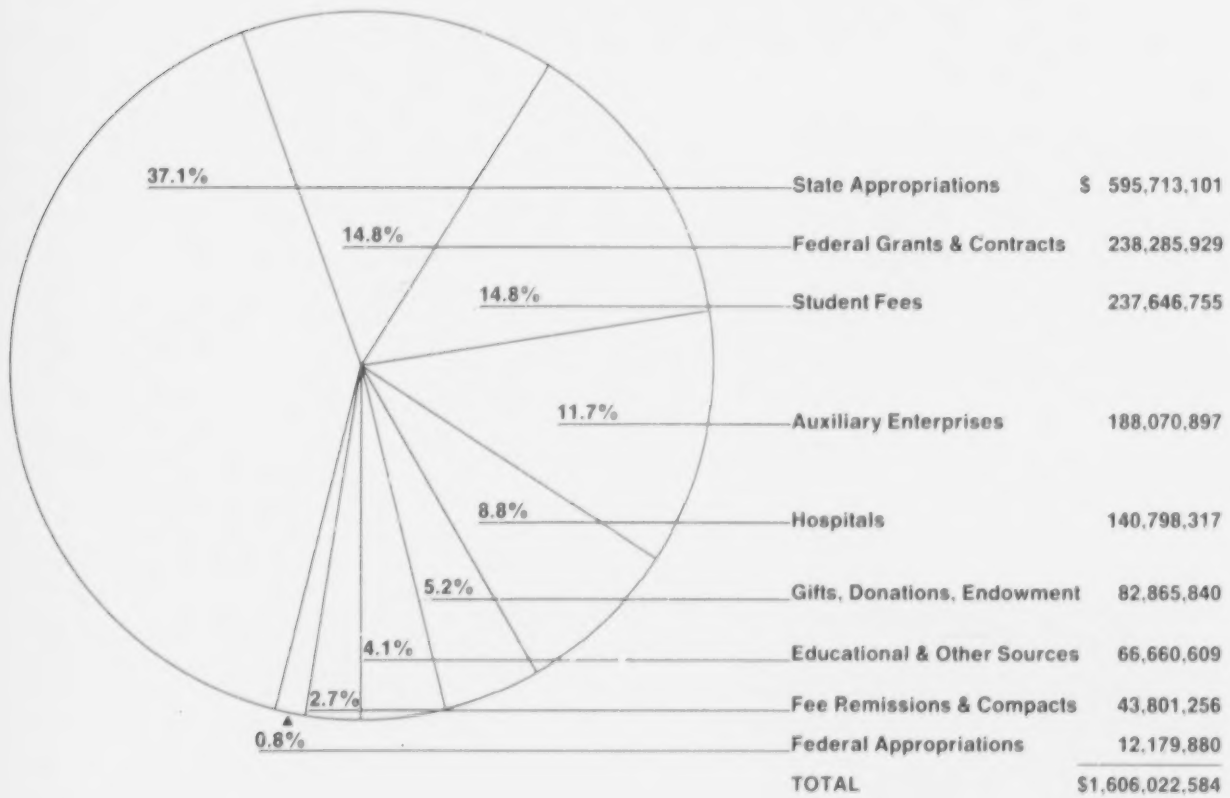

EXHIBIT B-6
UNIVERSITY OF WISCONSIN SYSTEM
CURRENT FUNDS DISBURSEMENTS

Total Univ. of Wis. System 1985-86	Total Univ. of Wis. System 1986-87	% Increase (+) Decrease (−)		Unrestricted Funds	Restricted Funds
			Educational and General		
$ 442,575,255	$ 477,110,586	+ 7.8	Instruction	$ 462,332,659	$ 14,777,927
227,038,499	252,686,407	+11.3	Research	81,523,022	171,163,385
92,477,857	97,807,582	+ 5.8	Public Service	81,242,622	16,564,960
58,624,019	63,189,193	+ 7.8	Libraries, Learning Resources and Media	61,823,675	1,365,518
7,597,477	7,526,057	− 1.0	Farm Operations	7,526,057	
40,424,289	43,287,339	+ 7.1	Student Services	40,182,039	3,105,300
67,623,027	67,002,055	− 0.9	General Operations and Services	65,445,982	1,556,073
112,528,968	111,451,299	− 1.0	Operation and Maintenance of Plant	111,380,873	70,426
96,520,997	101,550,297	+ 5.2	Scholarships and Fellowships	39,173,220	62,377,077
1,145,410,388	1,221,610,815	+ 6.7	Total Educational and General	950,630,149	270,980,666
164,176,632	176,069,238	+ 7.2	Auxiliary Enterprises	174,992,782	1,076,456
122,317,782	141,982,787	+16.1	Hospitals	141,726,358	256,429
			Mandatory Transfers		
56,574,402	54,419,401	− 3.8	Debt Service on Academic Facilities	53,273,156	1,146,245
7,839,051	8,008,735	+ 2.2	Debt Service on Auxiliary Operations	8,008,735	
3,661,300	3,603,837	− 1.6	Debt Service on Hospital Facilities	3,603,837	
290,681	327,771	+12.7	Student Loan Matching	327,771	
68,365,434	66,359,744	− 2.9	Total Mandatory Transfers	65,213,499	1,146,245
$ 1,500,270,236	$ 1,606,022,584	+ 7.0	TOTAL DISBURSEMENTS	$ 1,332,562,788	$ 273,459,796

How Funds Were Spent: A Functional Breakdown of 1986-87 Disbursements

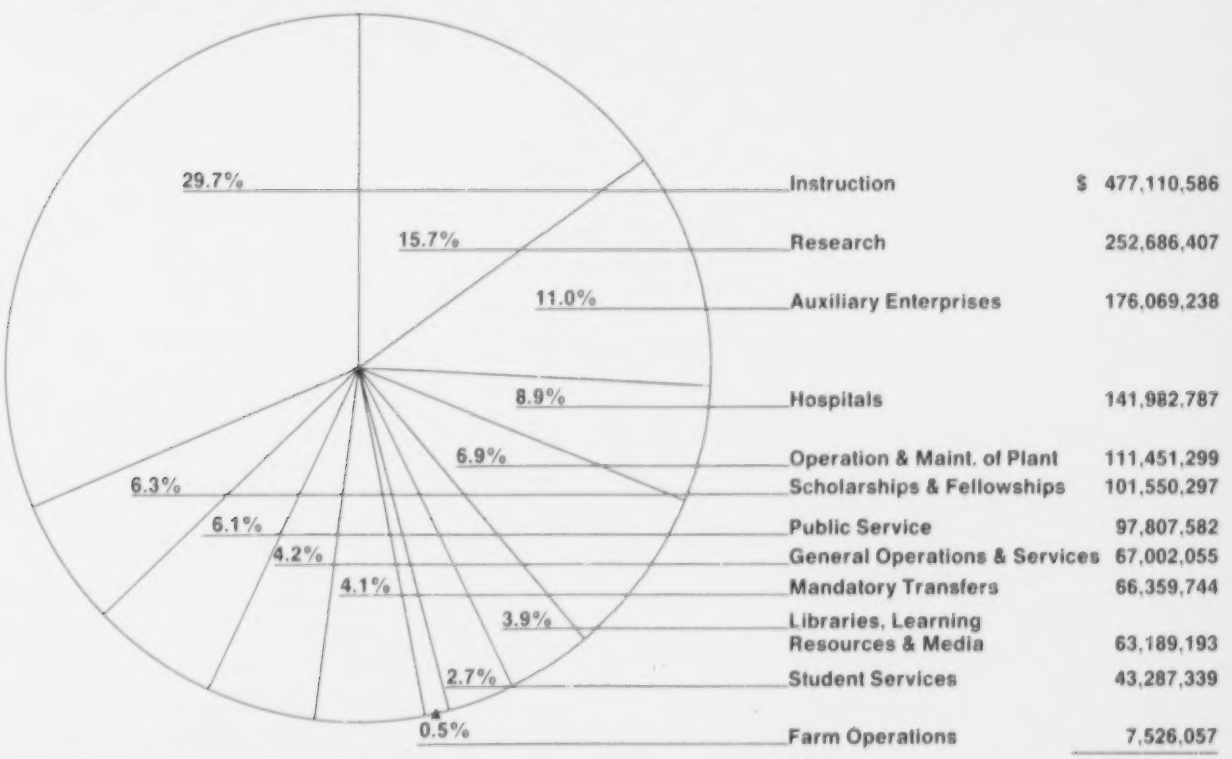

EXHIBIT B-7
STATE OF WISCONSIN UNEMPLOYMENT RESERVE FUND
STATEMENT OF ASSETS AND LIABILITIES
September 30, 1986

	September 30, 1986			September 30, 1985
	Reserve Fund	Federal Debt Fund	Combined Totals	Combined Totals
ASSETS				
Cash:				
U.S. Treasury Trust Fund	$ 138,798,808		$ 138,798,808	$ 134,951,864
In Bank	449,046		449,046	568,071
Interest Payment Account		$ 12,914	12,914	340,080
Amounts Receivable From:				
Reimbursable Employers	1,346,656		1,346,656	1,175,445
Other States	817,021		817,021	657,399
Employers (B)	127,228,992		127,228,992	105,932,041
Claimants (Benefit Overpayments)	6,306,745		6,306,745	5,685,503
U.S. Treasury as Interest	341,592		341,592	
Special Assessments (D)		2,250,548	2,250,548	6,664,798
Buildings Constructed with Reed Act Funds	487,100		487,100	566,821
Due From Reserve Fund		679,350	679,350	
Total Assets	275,775,960	2,942,812	278,718,772	256,542,022
LIABILITIES				
Cash Overdrafts in Checking Account	2,375,553		2,375,553	3,536,300
Benefits Payable to Claimants (C)	3,167,520		3,167,520	5,237,115
Employer Overpayments Not Refunded	1,731,131		1,731,131	1,936,751
Amounts Due Employers & Federal Government (Benefit Overpayments)	1,718,224		1,718,224	1,687,383
Amounts Due Other States	745,555		745,555	658,783
Advances from Federal Government	1,042,446		1,042,446	460,088
Federal Funds Provided Under Reed Act	487,100		487,100	566,826
Accrued Interest Payable		42,826,557	42,826,557	64,689,033
Due to Federal Debt Fund	679,350		679,350	
Loans from Federal Unemployment Trust Fund (A)		126,664,000	126,664,000	388,797,069
Due to Other Funds	216,388		216,388	
Total Liabilities	12,163,267	169,490,557	181,653,824	467,569,348
FUND BALANCE	263,612,693	(166,547,745)	97,064,948	(211,027,326)
TOTAL LIABILITIES AND FUND BALANCE	$ 275,775,960	$ 2,942,812	$ 278,718,772	$ 256,542,022

The Unemployment Reserve Fund was established by the State of Wisconsin's Unemployment Compensation Law (Chapter 108 of the statutes) to account for contributions received from employers and subsequent benefits paid to employees. The Fund is administered by the Department of Industry, Labor and Human Relations. The costs of administering the Fund are not included in the accompanying financial statements since the federal government provides funds to the State of Wisconsin for such costs out of contributions it receives from employers under the Federal Unemployment Tax Act.

(A) Beginning in 1982, the amounts needed to pay benefit claims exceeded the amount of the Fund's Reserve balance. To continue to pay benefit claims, the Fund had been required to borrow from the federal government under Title XII of the Social Security Act. Loans outstanding in this regard totaled $126,664,000 at September 30, 1986. This amount was subsequently repaid on December 23, 1986.

The Legislature has provided for payment of interest on the loans through special assessments against employers. Interest outstanding on September 30, 1986 amounts to $42,826,557. This represents payment deferrals from 1983, 1984 and 1985 which will be paid off over the next three years.

(B) Except for third quarter and delinquent contributions, employer contributions are recorded as revenue when received. Most of the third quarter contributions are based on subsequent cash receipts. Delinquent contributions and a small portion of the estimated third quarter contributions are based on reported or estimated employer information rather than cash receipts.

(C) Benefit claims not filed and benefit claims which have been filed by individual claimants but which have not yet been completely processed and paid are recorded as a liability based on known subsequent claim payments and other available information.

(D) Prior to fiscal year 1985-86, money received from employers as interest and penalty payments and amounts established as interest and penalty receivable from employers were credited to the Federal Debt Fund. Because the law no longer requires this money be used only to pay interest on outstanding federal debt, the October 1, 1985 interest and penalty cash and receivable balance of $5,713,178 was deducted from the Federal Debt Fund balance.

EXHIBIT B-7
STATE OF WISCONSIN UNEMPLOYMENT RESERVE FUND
STATEMENT OF CHANGES IN FUND BALANCE
September 30, 1986

	September 30, 1986			September 30, 1985
	Reserve Fund	Federal Debt Fund	Combined Totals	Combined Totals
ADDITIONS				
Employer Contributions	$ 648,785,669		$ 648,785,669	$ 573,251,773
Benefit Reimbursements	20,215,075		20,215,075	21,525,179
Reimbursement from Federal Government	12,605,570		12,605,570	41,080,920
Special Assessments from Employers		$ 35,229,595	35,229,595	27,864,723
Interest from U.S. Treasury	341,592		341,592	
Forfeitures and Other	1,591,743		1,591,743	1,613,312
Total Additions	683,539,649	35,229,595	718,769,244	665,335,907
DEDUCTIONS				
Benefits Paid:				
Chargeable to Taxable Employers	348,702,241		348,702,241	390,173,305
On behalf of Governmental Units	15,696,766		15,696,766	15,260,091
On behalf of Electing Nonprofit Organizations	4,426,178		4,426,178	6,300,787
On behalf of United States Government	12,605,570		12,605,570	41,080,920
Other Benefits	6,075,759		6,075,759	2,866,754
Allowance for Doubtful Collections:				
Delinquent Employer Contributions	5,040,677		5,040,677	2,017,883
Benefit Overpayments to Claimants	358,136		358,136	901,827
Special Assessments Against Employers		87,758	87,758	951,764
Interest on Federal Funds Borrowed		11,970,309	11,970,309	30,832,319
Other	398		398	9,015
Total Deductions	392,905,725	12,058,067	404,963,792	490,394,665
Increase (Decrease) in Fund Balance	290,633,924	23,171,528	313,805,452	174,941,242
Fund Balance at September 30, 1985	235,111,838	(446,139,164)	(211,027,326)	(385,968,568)
Prior Period Adjustment (D)		(5,713,178)	(5,713,178)	
Interfund Transfers:				
Repayment of Federal Loans	(262,133,069)	262,133,069		
FUND BALANCE at September 30, 1986	$ 263,612,693	$ (166,547,745)	$ 97,064,948	$ (211,027,326)

EXHIBIT B-8
WISCONSIN RETIREMENT SYSTEM
ACTUARIAL STATEMENT OF ASSETS AND LIABILITIES
DECEMBER 31, 1986

	12/31/86	12/31/85	Increase
Assets and Employer Obligations:			
Net Assets:			
Cash, Investments & Receivables			
Less: Payables & Suspense Items			
Fixed Division	$ 9,563,867,790	$ 8,344,478,131	$ 1,219,389,659
Variable Division	2,154,556,386	1,930,858,815	223,697,571
Totals	11,718,424,176	10,275,336,946	1,443,087,230
Obligations of Employers			
Unfunded Accrued Liability	1,285,070,727	1,241,773,936	43,296,791
TOTAL ASSETS	13,003,494,903	11,517,110,882	1,486,384,021
Reserves and Surplus:			
Reserves			
Actuarial Present Value of Projected Benefits Payable to Terminated Vested Participants and Active Members:			
Member Normal Contributions	3,785,035,000	3,306,174,479	478,860,521
Member Additional Contributions	123,996,245	114,881,290	9,114,955
Employer Contributions	5,292,898,727	4,859,146,335	433,752,392
Total Contributions	9,201,929,972	8,280,202,104	921,727,868
Actuarial Present Value of Projected Benefits Payable to Current Retirees and Beneficiaries:			
Fixed Annuities	3,004,866,571	2,560,955,113	443,911,458
Variable Annuities	498,590,683	366,621,354	131,969,329
TOTAL ANNUITIES	3,503,457,254	2,927,576,467	575,880,787
Special Death Benefit Reserve	473,981	406,072	67,909
Surplus			
Fixed Annuity Reserve Surplus	235,754,568	197,271,892	38,482,676
Variable Annuity Reserve Surplus	40,132,501	96,470,316	(56,337,815)
Undistributed Earnings-Fixed Fund	20,104,696	(125,334)	20,230,030
Undistributed Earnings-Variable Fund	1,641,931	15,309,365	(13,667,434)
TOTAL SURPLUS	297,633,696	308,926,239	(11,292,543)
TOTAL RESERVE AND SURPLUS	$ 13,003,494,903	$11,517,110,882	$ 1,486,384,021

The accompanying notes are an integral part of this statement.

Notes to Exhibit B-8, Wisconsin Retirement System

The State's pension obligations, that is benefits paid to retired employes, are defined by formulas which establish monthly retirement benefits as a function of annual compensation and years of service. The State of Wisconsin's current contributions to meet these pension obligations are established by a yearly actuarial determination of the value of the retirement benefits that have accrued to state employes and will have to be paid in the future. After deducting the fixed contributions of employes, the State then contributes an amount sufficient to meet the remaining value of the obligations. Although the pension obligations are not fully funded at this time, it is intended, by this procedure, to achieve full funding of all State pension obligations over a 40 year period.

Monthly benefits upon retirement at normal retirement age (65 for general employes, 62 for elected officials and certain state positions, and 55 for protective occupation participants) are computed on a formula basis (the formula varies by particular class of participation). Some inactive members and a small number of currently active employes may have benefits computed on some other basis when they apply for benefits. Retirement prior to normal retirement age or selection by the employe of an optional form of annuity other than the normal form will normally result in an actuarially equivalent monthly amount, usually less than the basic formula benefit. All benefits are fully vested.

Except for certain protective employes and a few other minor exceptions, employes under the Wisconsin Retirement System are also covered by Social Security. For annuities granted prior to the effective date of the 1984 Benefit Improvement Bill (Wisconsin Act 181, Laws of 1984), the maximum benefit available to an annuitant was based on the combined benefits from Social Security and the Wisconsin Retirement System. Subsequent to the Benefit Improvement Bill, Wisconsin Retirement System annuities are determined totally independent of Social Security Benefits.

Exhibit B-8 provides a comparative actuarial balance sheet for the most recent reporting periods. The 12/31/85 and 12/31/86 balances are unaudited.

The unfunded accrued liability of the Wisconsin Retirement System is being liquidated on a level percentage of payroll contribution basis. Under this basis the prior service contribution rate will remain constant during the 40 year amortization period. During the initial years, interest charges will exceed prior service payments and the obligation will grow. However, after several years, payrolls will increase to a level where contributions will fully offset interest and begin to reduce the obligation, resulting in total liquidation at the end of 40 years.

As an employer, Wisconsin's share of the unfunded accrued liability as of December 31, 1986 was $363,707,401.

EXHIBIT B-9
STATE BUILDING TRUST FUND
RECEIPTS AND DISBURSEMENTS

	1986-87	1985-86
Opening Balance	$ 10,651,864	$ 14,475,093
Receipts:		
Investment Income	698,532	1,016,897
Federal Aid	12,411	7,864
Miscellaneous	2,244,966	(408,284)
Net Transfers to or from Capital Improvement Fund	(718,146)	(1,394,462)
Net Receipts	2,237,763	(777,985)
TOTAL AVAILABLE	12,889,627	13,697,108
Disbursements:		
Arts Board	76,700	27,639
Department of Administration	225,712	355,780
Department of Agriculture, Trade & Consumer Protection	240,000	
Educational Communications Board	169,972	186,828
Historical Society	78,966	156,610
Department of Health & Social Services:		
Mental Health Institutions	31,140	(2,666)
Correctional Institutions	242,730	663,256
Department of Military Affairs	22,801	196,227
Department of Natural Resources	50,036	5,253
Department of Public Instruction		12,888
University of Wisconsin System	1,526,470	1,225,770
Department of Veterans Affairs	57,896	217,659
Total Disbursements	2,722,423	3,045,244
ENDING BALANCE	$ 10,167,204	$ 10,651,864

EXHIBIT B-10
CAPITAL IMPROVEMENT FUND
RECEIPTS AND DISBURSEMENTS

	1986-87	1985-86
Opening Balance	$ 68,911,396	$ 213,726,505
Receipts:		
General Obligation Proceeds:		
Bond Revenue	242,844,000	4,956,000
Investment Income	10,864,822	14,503,977
Federal Aid	642,485	3,103,240
Insurance Reimbursement	41,330	
Miscellaneous	1,123,971	1,649,297
Interfund Transfer from State Agencies	1,623,149	11,256,925
Net Transfers to/from State Bldg. Trust Fund	595,646	1,394,462
Transfers to the Bond Security and Redemption Fund	(3,470,458)	(3,048,084)
Net Receipts	254,264,945	33,815,818
TOTAL AVAILABLE	323,176,341	247,542,323
Disbursements:		
University of Wisconsin:		
Academic	50,168,903	36,808,641
Self-Amortizing Facilities	96,257	1,019,937
Natural Resources:		
Point Source Water Pollution and Sewage Collection Facilities	65,204,249	72,430,644
Recreation Facilities	6,082,035	5,356,683
Transportation:		
Administration Facilities	9,950	279,196
Highway Projects		252,334
Harbor Improvements	186,933	8,674
Health and Social Services:		
Mental Health Facilities	2,458,056	1,922,821
Correctional Facilities	15,324,481	22,140,626
Building Commission:		
Housing State Departments and Agencies	1,974,540	4,118,856
Educational Communications Facilities	194,360	12,885
Historical Society		
Historic Sites	34,064	764,996
Museum Facilities	119,087	
Public Instruction	1,430	
School for Deaf and Blind	230,078	2,099,546
School for Visually Handicapped	29,973	
Military Affairs, Armories and Military Facilities	781,865	4,125,370
Veterans Affairs:		
Wisconsin Veterans Homes	137,123	71,965
Self-Amortizing Mortgage Loans	14,123,141	15,265,669
Agriculture:		73,251
State Fair — Self-Amortizing Facilities	9,789	100,267
Bonding Services	(473,632)	952,569
Daily Demand Note, Principal and Interest	68,106,583	10,825,997
Total Disbursements	224,799,265	178,630,927
ENDING BALANCE	$ 98,377,076	$ 68,911,396

EXHIBIT B-11
VETERANS MORTGAGE LOAN PROGRAM
BALANCE SHEET AS OF JUNE 30

	June 30, 1987	June 30, 1986
ASSETS		
Investments:		
Cash & Investment Pool Shares	$ 38,066,999	$ 14,992,011
Restricted Yield	71,643,111	71,643,111
Debt Service Account	56,283,609	70,129,652
Debt Service Reserve	36,643,587	36,643,587
	202,637,307	193,408,361
BOND PROCEEDS BALANCE	26,649,152	77,550,908
	229,286,459	270,959,269
Insurance Reserve Assets:		
Pool Shares	7,891,697	5,749,313
Real Estate	6,908,483	7,606,021
Land Contracts	1,706,846	3,630,596
Other Assets	199,300	86,405
	16,706,327	17,072,335
Mortgages	736,920,138	798,461,879
Other Receivables	16,568,964	16,559,335
TOTAL ASSETS	999,481,888	1,103,052,818
LIABILITIES & FUND BALANCE		
Bonds Payable	876,340,000	986,235,000
Other Liabilities	4,998,893	5,396,799
TOTAL LIABILITIES	881,338,893	991,631,799
FUND BALANCE	118,142,995	111,421,019
TOTAL LIABILITIES & FUND BALANCE	$ 999,481,888	$ 1,103,052,818

The Wisconsin Department of Veterans Affairs Mortgage Loan Program was created by Chapter 208, Laws of 1973. It is a major housing program benefiting Wisconsin veterans. Since inception, the program has provided more than $1.3 billion for First Mortgage Loans. The funds are a result of the issuance of State of Wisconsin General Obligation Bonds. The difference between the interest rate paid Bond Holders and the interest rate charged Veteran Mortgagors provides for the program's administrative costs, servicing lenders' fees and reserves. There is a statutory requirement that the program be fully self-supporting.

The financial statements presented show the results of all the transactions of the Veterans Mortgage Loan Repayment Fund and the transactions related to the Veterans Mortgage Loan Program from the Capital Improvement Fund and the Bond Security and Redemption Fund.

The records of the Department are kept in accordance with the state statutory basis of accounting with the exception of several material assets and liabilities listed in the Balance Sheet. They are:

- Restricted Yield Investment Agreement valued at cost.
- Debt Service Account: Bonds valued at lower of cost or par.
- Debt Service Reserve: Treasury Notes at lower of cost or par.
- Real Estate, Land Contracts and Mortgages: valued at book value.
- Bonds payable valued at the unpaid principal balance of the Bonds issued on behalf of the Program.

EXHIBIT B-11
VETERANS MORTGAGE LOAN PROGRAM
INCOME STATEMENT FOR PERIOD ENDING JUNE 30

	June 30, 1987	June 30, 1986
RECEIPTS		
Investments:		
Investment Pool Shares	$ 7,437,491	$ 5,079,326
Restricted Yield	6,836,347	8,114,984
Debt Service Account	4,541,376	4,810,599
Debt Service Reserve	4,013,815	4,814,621
Retired Bonds	0	30
	22,829,029	22,189,530
Mortgage Interest	50,808,639	54,505,433
Rev. Bond Admin. Reim.	120,707	81,598
Net Insurance Accounts Receipts	(16,542)	1,747,448
Loan Funding Fee	258,300	3,458
TOTAL RECEIPTS	74,000,134	78,527,467
EXPENDITURES		
Administration:		
Personal Services	1,086,946	1,059,889
Fringe Benefits	302,126	292,856
Materials and Supplies	189,421	207,023
Capital Outlay	46,005	30,400
County Veterans Service Officer Grant	78,000	79,500
	1,702,498	1,669,748
Bond Interest	65,836,504	76,697,018
Costs of Issuance, Bonds	0	1,552,846
Accrued Interest on Bonds	(260,844)	
TOTAL EXPENDITURES	67,278,158	79,919,612
NET RECEIPTS (EXPENDITURES)	6,721,976	(1,392,145)
BEGINNING FUND BALANCE	111,421,019	116,542,016
PRIOR PERIOD ADJUSTMENTS		(3,728,852)
ENDING BALANCE	$ 118,142,995	$ 111,421,019

Statistical Section

Wisconsin Dells, a nationally-favored vacation spot, features naturally chiseled canyons and rock formations lining a seven-mile stretch of the Wisconsin River. The dramatic high-rising sculptures tower above deep, swift water and are best viewed from tour boats.

EXHIBIT C-1

GENERAL FUND CASH FLOW

The General Fund would have experienced a short-term cash flow problem during the first half of the year unless corrective action had been taken. The temporary reduction in cash balances was caused by a mismatch between the timing of receipts and disbursements. The majority of payments were paid in the first half of the fiscal year. The preponderence of receipts were collected in the second half of the year. This point is illustrated in Figure 1.

Because of this mismatch, an operating note was again important to cash management in 1986-87. Without the operating note, the General Fund's cash balance would have dropped from an opening balance of $375 million to a yearly low of more than $-271 million, a reduction of approximately $646 million. Figure 2 summarizes the year's cash balances.

Unlike previous fiscal years, no borrowing from other operating funds was necessary in 1986-87. The advanced issuance of the operating note precluded this. The $350 million operating note, issued in July 1986, ensured timely payments to local governments and the state's suppliers. The note allowed the state to acquire sufficient funds to offset July, November, and December's sizable cash payments for local assistance. The proceeds of the note and its timely repayment allowed the General Fund to more closely match receipts and payments. The operating note sinking fund payments were met as scheduled and the full amount of the note plus accrued interest was repaid by June 15, 1987.

The use of the operating note proved a cost-effective method of acquiring short-term funds. The use of the note saved the General Fund $6.3 million through increased investment earnings and reduced interfund borrowing.

Figure 1

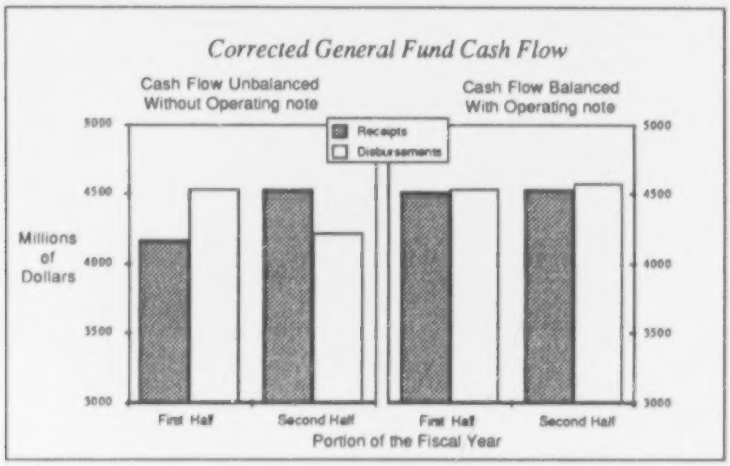

Figure 2

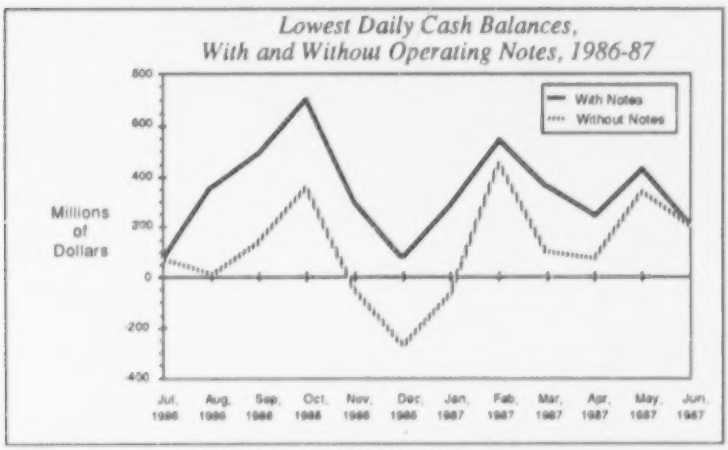

EXHIBIT C-2
STATE PAYMENTS TO LOCALITIES FOR PROPERTY TAX RELIEF AND SHARED REVENUES BY COUNTY 1986-87
(ROUNDED TO NEAREST DOLLAR)

COUNTY	ESTIMATED TOTAL POP. 01/01/86	LEVIES BASED TAX CREDIT	SHARED REVENUE PAYMENT	SCHOOL AID CREDIT	COUNTY TOTAL
Adams	15,099	$ 1,119,480	$ 990,253	$ 1,002,597	$ 3,112,330
Ashland	16,734	727,293	3,467,204	582,908	4,777,405
Barron	40,732	2,253,658	5,305,905	1,760,969	9,320,531
Bayfield	14,118	969,601	1,152,985	511,038	2,633,624
Brown	187,471	10,195,975	35,285,030	8,802,474	54,283,479
Buffalo	14,253	874,770	1,929,357	644,325	3,448,452
Burnett	12,893	961,790	935,522	504,249	2,401,561
Calumet	33,514	1,868,741	5,200,007	1,449,616	8,518,364
Chippewa	53,886	2,320,740	8,877,209	2,075,393	13,273,341
Clark	32,613	1,676,911	4,223,177	1,294,875	7,194,962
Columbia	43,902	2,482,118	5,758,992	2,213,162	10,454,273
Crawford	16,527	894,169	2,073,949	697,281	3,665,399
Dane	341,262	23,648,874	38,010,943	13,171,525	74,831,341
Dodge	76,631	4,375,789	10,624,539	3,429,450	18,429,777
Door	26,342	1,987,564	2,028,882	969,781	4,986,227
Douglas	42,403	2,151,925	8,684,461	1,479,488	12,315,874
Dunn	35,482	1,843,344	5,481,129	1,316,719	8,641,191
Eau Claire	83,694	4,082,864	15,618,647	3,360,776	23,062,287
Florence	4,344	282,863	210,780	272,185	765,828
Fond du Lac	90,417	4,578,810	14,042,220	3,747,520	22,368,550
Forest	9,327	416,251	800,831	425,910	1,642,992
Grant	51,795	2,817,043	7,157,122	2,084,202	12,058,367
Green	30,464	2,181,751	3,091,043	1,535,593	6,808,386
Green Lake	18,958	1,220,198	2,308,959	683,738	4,212,896
Iowa	20,280	1,592,756	2,265,296	1,172,429	5,030,480
Iron	6,421	449,027	783,683	225,902	1,458,613
Jackson	16,771	846,937	2,013,402	634,301	3,494,640
Jefferson	66,901	3,865,634	9,056,640	2,982,049	15,904,323
Juneau	21,861	1,199,501	2,936,721	936,538	5,072,759
Kenosha	121,236	7,053,093	23,071,413	5,344,142	35,468,649
Kewaunee	20,103	1,047,103	3,309,471	845,132	5,201,707
LaCrosse	96,648	5,076,920	12,061,595	4,149,712	21,288,227
Lafayette	17,111	1,443,920	1,687,868	988,654	4,120,442
Langlade	20,215	1,106,790	3,044,127	778,211	4,929,127
Lincoln	26,755	1,438,322	4,843,352	1,077,957	7,359,631
Manitowoc	82,697	3,937,268	16,165,759	3,185,272	23,288,298
Marathon	112,094	6,371,298	15,033,504	4,931,473	26,336,275
Marinette	40,647	2,309,391	5,525,028	1,954,089	9,788,508
Marquette	12,615	756,154	953,402	667,462	2,377,018
Menominee	3,947	104,717	511,280	85,737	701,734
Milwaukee	935,757	75,767,535	251,448,815	32,575,778	359,792,128
Monroe	36,517	1,513,397	5,130,873	1,157,083	7,801,352
Oconto	30,390	1,677,666	3,647,687	1,477,700	6,803,053
Oneida	32,523	2,396,111	2,627,972	1,124,678	6,148,761
Outagamie	135,910	6,605,453	21,736,898	6,317,423	34,659,774
Ozaukee	67,779	5,424,513	5,980,721	2,848,546	14,253,779
Pepin	7,359	524,262	1,029,974	319,405	1,873,640
Pierce	32,617	1,719,859	3,905,002	1,357,134	6,981,996
Polk	34,837	2,117,509	3,606,574	1,694,854	7,418,937
Portage	61,256	3,044,068	7,853,868	2,771,609	13,669,545

EXHIBIT C-2 (continued)
STATE PAYMENTS TO LOCALITIES FOR PROPERTY TAX RELIEF AND SHARED REVENUES BY COUNTY 1986-87
(ROUNDED TO NEAREST DOLLAR)

COUNTY	ESTIMATED TOTAL POP. 01/01/86	LEVIES BASED TAX CREDIT	SHARED REVENUE PAYMENT	SCHOOL AID CREDIT	COUNTY TOTAL
Price	16,374	789,558	1,895,496	636,337	3,321,392
Racine	169,373	10,299,338	31,609,852	7,840,009	49,749,198
Richland	17,355	1,062,363	2,165,363	728,168	3,955,894
Rock	139,078	7,519,130	23,598,695	5,873,232	36,991,058
Rusk	15,644	832,325	2,238,125	609,774	3,680,224
St. Croix	47,247	2,836,992	4,898,356	2,522,115	10,257,463
Sauk	45,613	2,904,596	5,491,140	2,141,756	10,537,491
Sawyer	13,652	1,012,871	778,594	829,477	2,620,942
Shawano	36,646	1,864,782	4,047,607	1,630,926	7,543,316
Sheboygan	102,503	6,237,599	18,071,773	4,491,893	28,801,265
Taylor	19,387	890,442	2,371,105	695,216	3,956,763
Trempealeau	26,521	1,361,632	3,900,593	989,861	6,252,085
Vernon	26,082	1,464,734	3,173,749	1,115,085	5,753,569
Vilas	17,635	1,710,842	631,215	153,817	2,495,874
Walworth	73,091	5,726,310	6,584,106	3,029,005	15,339,421
Washburn	14,209	826,571	1,256,179	737,644	2,820,394
Washington	87,783	5,412,275	9,274,732	4,674,592	19,361,599
Waukesha	288,150	21,349,395	21,515,473	11,498,366	54,363,234
Waupaca	44,949	2,169,303	5,625,623	1,985,737	9,780,663
Waushara	20,002	1,299,047	1,454,883	1,164,522	3,918,452
Winnebago	137,914	7,057,779	22,536,679	6,565,653	36,160,111
Wood	75,806	4,150,394	12,811,841	3,030,956	19,993,192
Subtotal		304,100,000	779,421,248	198,563,184	1,282,084,432
Adjustments (A)			(90,513)		(90,513)
Adjustments (B)			29,264		29,264
Total Apportionments		$304,100,000	$779,359,999	$ 198,563,184	1,282,023,183
Homestead Tax Credit					102,618,681
Farm Property Tax Credit					35,531,504
Cigarette Tax Refunds					2,603,818
GRAND TOTAL					$1,422,777,186

(A) Local share of revenue credited to 1985-86; paid in 1986-87 and included in detail by county.

(B) Local share of revenue credited to 1986-87; not paid to localities until 1987-88 and not included in detail by county.

EXHIBIT C-3
STATE AND FEDERAL LOCAL ASSISTANCE PAYMENTS

	State Aids		Federal Aids	
	1986-87	1985-86	1986-87	1985-86
COMMERCE				
DEPARTMENT OF AGRICULTURE, TRADE & CONSUMER PROTECTION				
Prelim. Mapping; Agricultural Land Preservation	$ 2,089	$ 18,504		
Soil & Water Conservation Project Aids	772,170	711,986		
Erosion Control Program	632,970	318,631		
TOTAL - Department of Agriculture, Trade & Consumer Protection	1,407,229	1,049,121		
DEPARTMENT OF DEVELOPMENT				
Planning Aids	49,432	82,857		
Federal Aid			$ 23,772,786	$ 23,432,577
TOTAL - Department of Development	49,432	82,857	23,772,786	23,432,577
INSURANCE, COMMISSIONER OF				
Operations & Benefits	8,417,583	5,938,414		
TOTAL - Insurance, Commissioner of	8,417,583	5,938,414		
TOTAL - COMMERCE	9,874,244	7,070,392	23,772,786	23,432,577
EDUCATION				
EDUCATIONAL COMMUNICATIONS BD				
Milw Area Technical College	250,000			
TOTAL - Educational Communications Board	250,000			
DEPARTMENT OF PUBLIC INSTRUCTION				
Aid to Public Library Systems	7,889,600	7,100,600		
Human Growth & Development Grants	98,768	92,749		
Federal Funds			1,365,794	1,454,869
General Equalization Aids	934,176,539	934,434,234		
Supplemental State Aid	14,062,619	14,062,771		
Aids for Handicapped Education	160,257,200	152,181,000		
Bilingual-Bicultural Educational Aids	4,356,916	3,819,280		
Tuition Payments	3,930,321	3,591,025		
Aids for School Lunch & Elderly Nutrition	4,346,801	4,329,425		
Pupil Transportation Aids	17,514,497	17,485,189		
Cooperative Education Service Agencies Aids	607,200	907,200		
Vocational Education Instruction Occup. Comp	72,951	17,781		
Teaching Incentive Program	497,099	487,901		
Grants - Preschool to Grade 5 Programs	3,050,000			
Aid for Suicide Prevention	36,000	35,969		
Aid - Alcohol/Other Drug Abuse	390,117	239,358		
Education for Employment	500,000			
One Time Adjustment Aids	2,007,346			
Funds from State Agency (FED)	7,289,548	7,562,965		

EXHIBIT C-3 (continued)
STATE AND FEDERAL LOCAL ASSISTANCE PAYMENTS

	State Aids		Federal Aids	
	1986-87	1985-86	1986-87	1985-86
Funds from State Agency (GPR)	$ 35,878	$ 67,052		
Federal Aids			$120,469,934	$114,457,592
Driver Education	2,812,250	2,287,836		
School Library Aids	10,470,937	9,749,465		
TOTAL - Department of Public Instruction	1,174,402,587	1,158,451,800	121,835,728	115,912,460
BOARD OF VOCATIONAL, TECHNICAL & ADULT EDUCATION				
Displaced Homemakers - Organizations	184,899	155,202		
Voc. Ed. Instruction Occup. Comp. Prog.	95,902	73,611		
State Aid - Voc., Tech. & Adult Education	76,368,000	73,793,700		
Displaced Homemakers Program	245,788	289,160		
Incentive Grants	721,699	620,746		
Aid for Spec. Coll. Trans. Program	856,200	856,200		
Interagency Project	1,542,084	2,181,711		
Federal Aid Adult Basic Education			1,650,665	1,800,677
Federal Aid Voc. Educ. Act			14,519,781	11,698,445
Driver Education	193,894	179,864		
Chauffeur Training Grant	200,000	180,100		
TOTAL - Board of Vocational, Technical & Adult Education	80,408,465	78,330,295	16,170,447	13,499,122
TOTAL - EDUCATION	1,255,061,053	1,236,782,095	138,006,175	129,411,583
ENVIRONMENTAL RESOURCES				
DEPARTMENT OF NATURAL RESOURCES				
Environ. Aids - Inland Lake Renewal	58,299	10,749		
Environ. Aids - Septic Tank	1,941,791	4,220,824		
Environ. Aids - Household Haz. Waste	45,000	33,750		
Environ. Aids - Pt. Source Pollution Abatement	270,404	100,709		
Debt Service - Recreational Boat Bonds	152,300	158,420		
Recreation Aids - Fish, Wildlife & Forestry		21,796		
Environmental Aids - Waste Reduction & Recycling	146,250	31,250		
Environmental Aids - Prior to Bond & Sm. Pr.	76,281	21,975		
Environmental Aids - Non-Point Source Grants	2,413,928	2,109,836		
Enforcement Aids - Flood Plain Mapping	168,848	86,078		
Debt Service - Principal Repayment & Interest	59,416,150	59,623,637		
Aids in Lieu of Taxes	617,286	599,231		
Environ. Aids - Municipal Well Replacement		7,304		
Debt Service - Combined Sewer/Pollution	3,847,860	3,477,644		
Environmental Plan Aids - Solid Waste Management	32,294	591,935		
Environmental Aids - On Land Dredge Disp.		3,370		
Resource Aids - National Forest Income Aid			622,148	620,479
Resource Aids - Pay in Lieu of Taxes			376,656	554,541

EXHIBIT C-3 (continued)
STATE AND FEDERAL LOCAL ASSISTANCE PAYMENTS

	State Aids		Federal Aids	
	1986-87	1985-86	1986-87	1985-86
Environmental Aids - Federal Funds			1,024,218	930,537
Environmental Aids - Inland Lake Renewal			$ 98,630	$ 49,165
Recreational Aids - All Terrain Vehicle Project	$ 35,920			
Recreational Aids - Fish, Wildlife Forest Aid	155,622	$ 94,958		
Resource Aids - County Forest & Forest Crop	1,490,564	1,669,203		
Resource Aids - County Conservation Aids	87,472	146,508		
Enforcement Aids - Boating Enforcement	300,000	300,000		
Recreation Aids - Motorcycle Recreation Aids Parks	336,727			
Recreation Aids - Snowmobile Trail	452,757	425,933		
Enforcement Aids - Snowmobiling Enf.	126,500	105,772		
Recreation Aids - Motorcycle Rec. Aids Trails	106,908	21,086		
Aids in Lieu of Taxes	639,264	620,319		
Enforcement Aids - Boating Enforcement	126,200	85,800		
Wildlife Damage - Claim	1,113,968	761,922		
Recreation & Resource Aids			1,285,255	818,772
Recreation Aids - Snowmobile Trails	1,414,073	1,147,201		
Recreation Aids - Rec. Boating Facil.	2,261,289	21,646		
TOTAL - Department of Natural Resources	77,833,954	76,498,854	3,406,907	2,973,494
DEPARTMENT OF TRANSPORTATION				
Transportation Aids	176,399,964	164,799,965		
Connecting Highway Aids	8,519,434	7,952,949		
Flood Damage Aids	825,012	303,647		
Lift Bridge Aids	1,230,368	1,223,155		
Transit Oper. Aids	39,326,358	36,558,679		
Milwaukee/Urban Rail Sys. Study	3,668	49,406		
Elderly & Handicapped County Aids	3,635,500	3,465,700		
Air Passenger Svc. - Assist. Aids	15,000	30,000		
Transit Aids - Local Funds	(518)	518		
Transit Aids			2,203,985	2,457,733
Highway Safety			1,057,525	1,353,572
TOTAL - Department of Transportation	229,954,786	214,384,018	3,261,510	3,811,305
TOTAL - ENVIRONMENTAL RESOURCES	307,788,740	290,882,873	6,668,417	6,784,799
HUMAN RELATIONS AND RESOURCES				
COUNCIL ON CRIMINAL JUSTICE				
Federal Aid - Crim. Justice Imp.			729,602	235,580
TOTAL - Council on Criminal Justice			729,602	235,580
DEPARTMENT OF HEALTH & SOCIAL SERVICES				
Reimbursement to Local Units	152,899	197,784		
Community Social & Mental Hygiene Odd CY	95,254,666	108,476,775		
Community Social & Mental Hygiene - Even CY	104,903,730	91,440,973		

EXHIBIT C-3 (continued)
STATE AND FEDERAL LOCAL ASSISTANCE PAYMENTS

	State Aids		Federal Aids	
	1986-87	1985-86	1986-87	1985-86
Income Maintenance Admin	19,889,134	18,300,538		
Programs Senior Citizens - Odd CY	$ 1,582,340	$ 4,246,428		
Programs Senior Citizens - Even CY	4,353,213	1,568,301		
Emergency Assistance Program	358,957	1,303,008		
Community Youth & Family Aid - Odd CY	15,422,666	14,913,922		
Community Youth & Family Aid - Even CY	19,708,813	15,860,136		
Aids - Interest County Construction Loans	14,063	29,965		
Indian Aids	157,517	134,903		
Collection Remittances - Local Units Government	224,013	218,701		
Services for Drivers	3,714,714	3,279,710		
Welfare Fraud Investigation	100,000			
Child Welfare Aids to Local Communities			$ 2,567,064	$ 3,468,300
Weatherization - Aid to Local Communities			1,440,605	1,302,986
Foster Care Community Aids			7,629,643	9,146,451
Income Maintenance - County Administration			24,343,037	23,903,270
Foster Care Youth Aids Supplement			1,349,200	1,349,200
Child Welfare Youth Aids Supplement			846,063	804,808
Community Options Program - Odd CY	11,082,729			
Community Options Program - Even CY	10,927,289	9,702,888		
Student Parent Day Care	65,528			
Relief to Needy Indians - Adm	613,074	572,117		
General Relief Aids	25,370,336	8,984,964		
Child Support County Admin				(10,008)
Alcohol, Drug, Mental Health			4,305,964	4,598,463
Social Service Block			47,388,586	49,665,142
TOTAL - Department of Health & Social Services	313,895,680	279,231,113	89,870,162	94,228,610
DEPARTMENT OF INDUSTRY, LABOR & HUMAN RELATIONS				
Aids - Private Sewage System Programs	203,700	242,560		
Fire Dues Distribution	5,965,546	5,447,107		
Federal Aid - Employment & Training Local			15,492,560	15,108,849
TOTAL - Dept. of Industry, Labor & Human Relations	6,169,246	5,689,667	15,492,560	15,108,849
DEPARTMENT OF JUSTICE				
Aid to Counties for Law Enforcement	37,500	22,500		
Aid to Counties - Tribal Law Enforcement		40,000		
Law Enforcement Training Fund	2,419,810	2,286,000		
Federal Aid - Flood Control			25,465	29,821
Reimbursement for Victim & Witness Services	853,831	796,759		
Crime Victim/Witness Assistance	621,400	432,000		
Federal Aid - Victim Assistance			337,555	
TOTAL - Department of Justice	3,932,540	3,579,259	363,020	29,821

EXHIBIT C-3 (continued)
STATE AND FEDERAL LOCAL ASSISTANCE PAYMENTS

	State Aids		Federal Aids	
	1986-87	1985-86	1986-87	1985-86
DEPARTMENT OF VETERANS AFFAIRS				
County Grants	$ 159,000	$ 159,000		
TOTAL - Department of Veterans Affairs	159,000	159,000		
TOTAL - HUMAN RELATIONS AND RESOURCES	324,156,466	288,659,038	$106,455,344	$109,602,861
GENERAL EXECUTIVE FUNCTIONS				
DEPARTMENT OF ADMINISTRATION				
Federal Aid			1,606,300	1,193,468
TOTAL - Department of Administration			1,606,300	1,193,468
PUBLIC DEFENDER BOARD				
Indigency Determinations	216	5,204		
TOTAL - Public Defender Board	216	5,204		
DEPARTMENT OF REVENUE				
Investment & Local Impact Fund	29,519	459,524		
TOTAL - Department of Revenue	29,519	459,524		
TOTAL - GENERAL EXECUTIVE FUNCTIONS	29,735	464,728	1,606,300	1,193,468
GENERAL APPROPRIATIONS				
SHARED TAXES, REVENUE & TAX RELIEF				
Shared Revenue Account	779,421,248	759,389,778		
Wisconsin Property Tax Relief		289,636,019		
General Government Tax Credit	139,879,494			
School Levy Tax Credit	164,220,506			
School Aid Credit	198,500,000	154,999,984		
Correct State Property Tax Credit Pay	63,184			
TOTAL - Shared Taxes, Revenue & Tax Relief	1,282,084,432	1,204,025,781		
MISCELLANEOUS APPROPRIATIONS				
Payments for Municipal Services	10,249,960	10,000,000		
County Assessment Aid	589,764	590,187		
Terminal Tax Distribution	1,018,849	1,012,861		
Sewer Overflow Aids Bonding	19,806,875	10,574,117		
Environmental Aids - Point Source Aids Bonding	45,397,374	61,444,620		
TOTAL - Miscellaneous Appropriations	77,062,822	83,621,804		
TOTAL - GENERAL APPROPRIATIONS	1,359,147,254	1,287,647,585		
GRAND TOTAL	$3,256,057,492	$3,111,506,711	$276,509,022	$270,425,287

EXHIBIT C-4
STATE AND FEDERAL AIDS TO INDIVIDUALS AND ORGANIZATIONS

	State Aids		Federal Aids	
	1986-87	1985-86	1986-87	1985-86
COMMERCE				
DEPARTMENT OF AGRICULTURE, TRADE & CONSUMER PROTECTION				
Animal Disease Indemnities	$ 7,560	$ 12,335		
Aid Wisconsin Livestock Breeders Association	27,200	28,000		
Aids County & District Fairs	362,264	364,299		
Prem. Aids - World Dairy Expo Inc.	53,300	55,000		
Farmers Fund Grants	499,887	776,944		
TOTAL - Department of Agriculture, Trade & Consumer Protection	950,212	1,236,578		
DEPARTMENT OF DEVELOPMENT				
Aid to Forward Wisconsin Inc.	470,000	500,000		
Emp. Ownership Assistance Loans	15,000	40,000		
Housing Loans - Aids to Organizations		9,000		
Federal Aid - Individuals & Organizations				$ 154,371
Labor Training Grants	3,403,760	331,668		
Technology Dev. Grant	573,230	1,418,919		
TOTAL - Department of Development	4,461,991	2,299,587		154,371
INSURANCE, COMMISSIONER OF				
Patients Compensation Claims	17,598,217	10,387,343		
Life Insurance Claims	1,624,369	1,374,295		
Premium Reduction Subsidy	170,785	152,183		
TOTAL - Insurance, Commissioner of	19,393,371	11,913,821		
TOTAL - COMMERCE	24,805,574	15,449,987		154,371
EDUCATION				
ARTS BOARD				
State Aids for the Arts	739,580	596,500		
Challenge Grant Program	132,300	227,139		
Fed. Grants - Aids to Individuals & Organizations			$ 284,033	329,990
TOTAL - Arts Board	871,880	823,639	284,033	329,990
HIGHER EDUCATIONAL AIDS BOARD				
Tuition Grants	11,693,425	11,454,479		
Loan Forgiveness - Critical Manpower	10,000	24,850		
Dental Education Contract	1,009,918	1,258,013		
Indian Student Assistance	1,056,065	991,865		
Wisconsin Higher Education Grants	15,945,509	13,772,882		
Minority Undergraduate Grants Program	372,317			
Federal Aid to Individuals & Organizations			1,530,036	1,581,294
Federal Aids, Grants			565,000	

EXHIBIT C-4 (continued)
STATE AND FEDERAL AIDS TO INDIVIDUALS AND ORGANIZATIONS

	State Aids		Federal Aids	
	1986-87	1985-86	1986-87	1985-86
Student Loan Interest	$ 183,837	$ 197,187		
Federal Interest Payments			$ 5,120	$ 34,059
TOTAL - Higher Educational Aids Board	30,271,071	27,699,275	2,100,156	1,615,353
MEDICAL COLLEGE OF WISCONSIN				
General Program Operations	4,200,615	4,465,917		
Family Medicine & Practice	1,144,600	1,144,600		
TOTAL - Medical College of Wisconsin	5,345,215	5,610,517		
DEPARTMENT OF PUBLIC INSTRUCTION				
Special Olympics	75,000	75,000		
Aid - Handicapped Individuals		39,622		
Minority Group Pupil Scholarships	244,965	237,507		
Gifts, Grants and Trust Funds - Aids	500			
Funds from Other State Agencies - Aid	375,651	1,078,591		
Service for Drivers - Aids	107,229	91,385		
Fed. Funds - Aids			10,771,550	10,214,240
Youth Initiatives Program	500,000	500,000		
Alt. Sch. - American Indian Lang/Cult. Ed.	36,520	33,880		
TOTAL - Department of Public Instruction	1,339,865	2,055,985	10,771,550	10,214,240
UNIVERSITY OF WISCONSIN SYSTEM				
Student Aid	1,075,153	668,361		
Advanced Opportunity Program	2,572,343	2,560,613		
Minority Undergrad Grant Program	1,474,343			
Gifts - Student Loans	1,434,019	1,409,881		
Federal Aid - Work Study			7,749,577	7,751,652
Federal Aid - Education Opportunity Grant			8,240,448	8,192,918
Federal Aid - Student Loans			17,429,172	15,689,281
Pell Grants			41,874,150	44,113,511
Nursing Undergrad Loans			257,455	291,462
Nursing Grad Loans			5,886	6,435
TOTAL - University of Wisconsin System	6,555,858	4,638,856	75,556,688	76,045,258
BOARD OF VOCATIONAL, TECHNICAL & ADULT EDUCATION				
Gifts & Grants	17,650	21,250		
TOTAL - Bd. of Vocational, Technical & Adult Education	17,650	21,250		
TOTAL - EDUCATION	44,401,539	40,849,523	88,712,427	88,204,841

EXHIBIT C-4 (continued)
STATE AND FEDERAL AIDS TO INDIVIDUALS AND ORGANIZATIONS

	State Aids		Federal Aids	
	1986-87	1985-86	1986-87	1985-86
ENVIRONMENTAL RESOURCES				
DEPARTMENT OF NATURAL RESOURCES				
Comp. Well Contamination - Payment	$ 950,681	$ 247,075		
Environ. Plan Aids - Local Water Quality	153,260	132,296		
Environ. Aids - Scenic Urban Waterways	93,059			
Res. Aids - Canadian Agency Migratory Waterfowl	91,839	92,284		
TOTAL - Department of Natural Resources	1,288,839	471,655		
DEPARTMENT OF TRANSPORTATION				
Elderly & Handicapped Aids - State Funds	797,057	460,879		
Elderly & Handicapped Aids - Local Funds	370,538	315,870		
Elderly & Handicapped Aids - Federal Funds			$ 685,097	$ 802,601
Harbor Assistance Grants	1,173,393	228,552		
Railroad Crossing Protection Assistance	1,924,059	2,198,189		
Railroad Crossing Repairs Assistance	25,602	134,736		
TOTAL - Department of Transportation	4,290,649	3,338,225	685,097	802,601
TOTAL - ENVIRONMENTAL RESOURCES	5,579,488	3,809,881	685,097	802,601
HUMAN RELATIONS AND RESOURCES				
CRIMINAL JUSTICE, COUNCIL ON				
Federal Aid - Criminal Justice Imp-Aid-Org			174,523	212,756
TOTAL - Criminal Justice, Council on			174,523	212,756
CHILD ABUSE & NEGLECT PREV. BD.				
Grants to Organizations	335,338	335,377		
TOTAL - Child Abuse & Neglect Prev. Bd.	335,338	335,377		
DEPARTMENT OF HEALTH & SOCIAL SERVICES				
Medical Assistance - Program Benefit	468,593,955	436,304,256		
Disease Aids	2,202,548	1,795,790		
Nursing Home Appeals Mechanism	1,583,426	826,807		
Supp. Food Program - Women, Inf. & Child	1,187,748	944,492		
Supp. Food Program - WIC-ADC	35,344	47,400		
Pregnancy Counseling	305,750	86,688		
Family Planning	1,150,000	1,203,166		
Special Dietary Supplement	158,256	162,934		
Fed Aid NH Appeals Mech			2,148,511	1,120,455
Federal Aids - WIC Aids			25,868,931	22,831,100
Federal Aid - Project Aids Y-ST FD			(91,302)	665,922
Federal Aid - Medical Assistance			644,882,063	593,511,180
Inter/Tra Agency Aids - Program 1	521,531			
Preventive Health Grant - Aids/LOC			751,724	1,031,044

EXHIBIT C-4 (continued)
STATE AND FEDERAL AIDS TO INDIVIDUALS AND ORGANIZATIONS

	State Aids		Federal Aids	
	1986-87	1985-86	1986-87	1985-86
Mental/Child Health - Aid & LOC			$ 5,259,512	$ 6,239,975
Purchased Services for Offenders	$ 763,291	$ 810,791		
Special Living Arrangements	1,839,977	1,858,051		
Foster Care	2,970,679	2,346,184		
Telecommunication Aid - Hearing Impaired	69,834	117,917		
Alzheimers Disease Training & Info	125,831	60,000		
Income Maintenance Payments	224,975,330	231,483,157		
Other Public Assistance Aids	2,455,215	886,707		
State Supplemental Federal SSI Program	84,785,000	78,215,000		
State Supplemental - Comm. Serv. Bk. Grant	200,000	300,000		
Domestic Abuse Assessment	9,400	20,500		
Child Support Collections	92,317,561	35,347,054		
Federal Aid - Project Aids			882,551	1,009,739
Weatherization - Supp. Federal Aids			5,614,129	5,285,726
Refugee Assistance to Individuals			3,520,621	3,117,583
Federal Aid, Inc. Maint. Pay & Co. Adm.			328,108,913	333,105,618
Federal Program Aids			300,359	
Federal Aid - State Foster Care & Adoption			1,448,765	1,248,176
State Adoption Center	96,759	6,297		
Shelter for Homeless Indiv. & Fam.	458,889	436,946		
Youth Diversion Program	130,400	93,000		
Work Exp & Trng Project	1,600,381			
Inter/Tra Agency Aids - Program 4	3,099,520	1,552,188		
St. Foster Care & Adoption Serv.	2,670,553	2,344,411		
Domestic Abuse Grants	1,775,596	1,733,511		
Relief to Needy Indians - Aids	6,077,365	5,999,895		
Independent Liv. Ctr. Grant	211,700	211,610		
Work Incentive Demo Program - Aids	507,499	493,215		
Disability Determinations Aids			3,558,913	5,523,517
Aging Program Aids			18,485,248	17,309,764
Work Incentive Demonstration Program - Aids			7,772,491	4,410,020
Energy Assistance Block - Aids			58,999,102	66,015,601
Community Services Block - Aids			4,747,114	3,976,265
Displaced Homemakers			34,531	153,401
Social Service Block - Project			1,129,680	1,228,134
Enterprises for the Blind	324,722	544,478		
State Program Aids/Purchased Service Clients	250,812	3,612,487		
State Title IB Aids	3,756,913			
Federal Program Aids/Purchased Service Clients			208,772	
Fed Title IB Aids			15,027,652	13,277,760

EXHIBIT C-4 (continued)
STATE AND FEDERAL AIDS TO INDIVIDUALS AND ORGANIZATIONS

	State Aids		Federal Aids	
	1986-87	1985-86	1986-87	1985-86
Federal Project Aids			$ 389,955	$ 364,348
Inter/Tra Agency Aids		$ 44,735		
TOTAL - Department of Health & Social Services	$ 907,211,784	809,889,667	1,129,048,233	1,081,425,328
DEPARTMENT OF INDUSTRY, LABOR & HUMAN RELATIONS				
Law Enf., Corr. Officers, Fire Fighters, etc.	49,909	49,050		
Asst for Dislocated Workers	790,796			
Service Work Incentive Demonstration Program	3,124,357	3,685,555		
Federal Aid - Empl. & Training Aids			32,005,264	35,437,419
Work Injury Supplemental Benefits	1,089,249	1,507,593		
TOTAL - Dept. of Industry, Labor & Human Relations	5,054,310	5,242,198	32,005,264	35,437,419
DEPARTMENT OF JUSTICE				
Awards for Victims of Crimes	929,722	929,843		
Federal Aid - Victim Comp			190,074	4,770
TOTAL - Department of Justice	929,722	929,843	190,074	4,770
DEPARTMENT OF MILITARY AFFAIRS				
Tuition Grants	14,646	26,555		
TOTAL - Department of Military Affairs	14,646	26,555		
DEPARTMENT OF VETERANS AFFAIRS				
Vietnam Veterans Education Grants	129,080	161,250		
Veterans Aids & Treatment	1,323,348	1,537,894		
Grants to Vets Organizations	267,197	267,200		
Payments to Vets Organizations for Claims	43,000	44,730		
Home for Needy Veterans	4,961	5,000		
TOTAL - Department of Veterans Affairs	1,767,586	2,016,075		
WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY				
Deferred Payment Loan Fund		2,500,000		
TOTAL - Wisconsin Housing and Economic Development Authority		2,500,000		
TOTAL - HUMAN RELATIONS AND RESOURCES	915,313,386	820,939,714	1,161,418,095	1,117,080,273
GENERAL EXECUTIVE FUNCTIONS				
DEPARTMENT OF ADMINISTRATION				
Energy Development & Demonstration Fund	24,790	23,873		
Renewable Energy Res. Incentive	1,150	1,137,824		
Cooperative Dev. Council Assistance	45,000	105,000		
Disaster Recovery Aid	106,502	261,311		

EXHIBIT C-4 (continued)
STATE AND FEDERAL AIDS TO INDIVIDUALS AND ORGANIZATIONS

	State Aids		Federal Aids	
	1986-87	1985-86	1986-87	1985-86
Civil Air Patrol Aids	$ 19,000	$ 20,000		
Federal Aid - Individuals and Organizations			$ 2,055,136	$ (42,419)
TOTAL - Department of Administration	196,442	1,548,008	2,055,136	(42,419)
ELECTIONS BOARD				
Wisconsin Election Campaign Fund	1,827,222			
TOTAL - Elections Board	1,827,222			
DEPARTMENT OF EMPLOYE TRUST FUNDS				
Annuity Supplements	10,653,633	11,549,481		
TOTAL - Department of Employe Trust Funds	10,653,633	11,549,481		
TOTAL - GENERAL EXECUTIVE FUNCTIONS	12,677,297	13,097,489	2,055,136	(42,419)
GENERAL APPROPRIATIONS				
SHARED TAXES, REVENUE & TAX RELIEF				
Homestead Tax Credit	102,618,681	102,662,679		
Farm Property Tax Credit	35,531,504	34,557,514		
Cigarette Tax Refunds	2,603,818	2,700,558		
TOTAL - Shared Taxes, Revenue & Tax Relief	140,754,003	139,920,751		
MISCELLANEOUS APPROPRIATIONS				
Election Campaign Payments	476,536	430,351		
General Fund Loan		2,500,000		
Veterans Loans - Operations		244,095		
TOTAL - Miscellaneous Appropriations	476,536	3,174,446		
TOTAL - GENERAL APPROPRIATIONS	141,230,539	143,095,197		
GRAND TOTAL	$ 1,144,007,823	$ 1,037,241,791	$ 1,252,870,754	$ 1,206,199,665

EXHIBIT C-5

DEBT SERVICE MATURITY SCHEDULE: AMOUNT DUE ANNUALLY ON GENERAL OBLIGATION BONDS AND NOTES ISSUED TO JUNE 30, 1987

Fiscal Year	Principal	Interest	Total Debt Service
1987-88	$ 170,105,000.00	$ 157,666,782.54	$ 327,771,782.54
1988-89	168,560,000.00	146,524,250.00	315,084,250.00
1989-90	163,830,000.00	135,429,966.24	299,259,966.24
1990-91	154,265,000.00	124,770,034.07	279,035,034.07
1991-92	134,810,000.00	114,799,863.38	249,609,863.38
1992-93	120,830,000.00	105,636,305.02	226,466,305.02
1993-94	108,460,000.00	97,444,625.04	205,904,625.04
1994-95	102,255,000.00	89,901,673.75	192,156,673.75
1995-96	99,800,000.00	82,469,030.02	182,269,030.02
1996-97	98,090,000.01	75,135,151.01	173,225,151.02
1997-98	95,090,000.00	67,629,492.72	162,719,492.72
1998-99	95,520,000.01	60,211,985.00	155,731,985.01
1999-2000	94,405,000.00	52,676,413.73	147,081,413.73
2000-01	91,819,999.98	45,178,497.48	136,998,497.46
2001-02	86,865,000.00	37,764,296.22	124,629,296.22
2002-03	79,765,000.00	30,851,357.50	110,616,357.50
2003-04	60,865,000.00	24,545,682.50	85,410,682.50
2004-05	51,035,000.00	19,450,871.25	70,485,871.25
2005-06	44,150,000.00	15,155,812.50	59,305,812.50
2006-07	36,250,000.00	11,699,825.00	47,949,825.00
2007-08	22,915,000.00	9,046,992.50	31,961,992.50
2008-09	19,865,000.00	7,007,930.00	26,872,930.00
2009-10	16,305,000.00	5,231,385.00	21,536,385.00
2010-11	11,655,000.00	3,804,275.00	15,459,275.00
2011-12	9,730,000.00	2,771,220.00	12,501,220.00
2012-13	9,985,000.00	1,918,320.00	11,903,320.00
2013-14	8,395,000.00	1,042,282.50	9,437,282.50
2014-15	2,400,000.00	325,050.00	2,725,050.00
2015-16	1,365,000.00	112,350.00	1,477,350.00
TOTALS	$2,159,385,000.00	$1,526,201,719.97	$3,685,586,719.97

EXHIBIT C-6

ANNUAL DEBT LIMIT COMPARED TO ACTUAL BORROWING 1977 TO 1986

Calendar Year	Annual Debt Limitation *	Actual Borrowing**	Borrowing As A Percentage Of Limitation
1977	$551,479,110	$241,000,000	43.7
1978	631,048,783	289,800,000	45.9
1979	725,419,578	261,600,000	36.1
1980	813,603,524	123,500,000	15.2
1981	846,556,650	175,035,000	20.7
1982	886,193,406	250,000,000	28.2
1983	898,135,379	210,300,000	23.4
1984	915,457,101	235,600,000	25.7
1985	922,661,155	440,955,000	47.8
1986	904,310,826	285,985,000	31.6

Sources: * **Wisconsin Legislative Audit Bureau.**
** **Wisconsin Department of Administration.**

EXHIBIT C-7

STATE ASSESSMENT (FULL MARKET VALUE) OF TAXABLE PROPERTY 1978 TO 1987

Calendar Year	Value Of Taxable Property	Rate Of Increase (%)
1978	$ 84,139,837,774	
1979	96,722,610,405	15.0
1980	108,480,469,889	12.2
1981	112,874,220,070	4.1
1982	118,159,120,779	4.7
1983	119,751,383,830	1.4
1984	122,060,946,775	1.9
1985	123,021,487,280	0.8
1986	120,574,776,770	- 2.0
1987	121,883,655,590	1.1

Source: Wisconsin Department of Revenue.

EXHIBIT C-8

COMPARISON OF OUTSTANDING INDEBTEDNESS TO ASSESSED VALUATION OF PROPERTY 1977 TO 1986

Calendar Year	Value Of Taxable Property	Outstanding Indebtedness*	Debt As Percentage Of Assessed Value
1977	$ 73,530,548,014	$ 1,528,978,272	2.08
1978	84,139,837,774	1,713,841,295	2.04
1979	96,722,610,405	1,916,140,888	1.98
1980	108,480,469,889	1,916,176,740	1.77
1981	112,874,220,070	1,950,028,410	1.73
1982	118,159,120,779	2,027,293,532	1.72
1983	119,751,383,830	2,072,493,851	1.73
1984	122,060,946,775	2,153,152,215	1.76
1985	123,021,487,280	2,410,628,460	1.96
1986	120,574,777,000	2,378,659,000	1.97

* Including obligations of nonstock, nonprofit building corporations.

Sources: Wisconsin Department of Revenue.
Wisconsin Legislative Audit Bureau.

EXHIBIT C-9

PER CAPITA STATE GENERAL OBLIGATION DEBT 1977 TO 1986

Year Ending Dec. 31	Outstanding Indebtedness*	Debt Per Capita	Debt Per Capita as % of Per Capita Income
1977	$ 1,528,978,272	$ 330.45	4.80
1978	1,713,841,295	368.89	4.78
1979	1,916,140,888	409.17	4.70
1980	1,916,176,740	407.18	4.35
1981	1,950,028,410	411.83	3.83
1982	2,027,293,532	427.25	3.97
1983	2,072,493,851	436.68	3.89
1984	2,153,152,215	452.15	3.65
1985	2,410,628,460	504.74	3.84
1986	2,378,658,743	497.11	3.57

* Includes obligations of nonstock, nonprofit building corporations.

Sources: Wisconsin Legislative Audit Bureau.
Wisconsin Department of Administration.

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WISCONSIN

APPENDIX ANNUAL FISCAL REPORT 1987

Detail of State Government Operations

Exhibit A. Summary of Operations by Function

This exhibit appears in the Annual Fiscal Report as Exhibit B-3.

Schedules A-1—A-8. Summaries of Operations by Individual Functional Areas